

Vol. XII
TRANSCRIPT OF RECORD

(Pages 5269 to 5603)

Supreme Court of the United States

OCTOBER TERM, 1944

No. 296

**PANHANDLE EASTERN PIPE LINE COMPANY,
ILLINOIS NATURAL GAS COMPANY AND MICHIGAN
GAS TRANSMISSION CORPORATION, PETI-
TIONERS,**

vs.

**FEDERAL POWER COMMISSION, CITY OF DE-
TROIT, COUNTY OF WAYNE, MICHIGAN, ET AL.**

**WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE EIGHTH CIRCUIT**

PETITION FOR CERTIORARI FILED JULY 28, 1944

CERTIORARI GRANTED JANUARY 3, 1945

VOL. XII.
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United States Circuit Court of Appeals
EIGHTH CIRCUIT.

No. 12,466

**PASHANDLE EASTERN PIPE LINE COMPANY, A
CORPORATION, ILLINOIS NATURAL GAS
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VS.

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MICHIGAN, COUNTY OF WAYNE, MICHIGAN,
MICHIGAN CONSOLIDATED GAS COMPANY,
A CORPORATION, AND MICHIGAN PUBLIC
SERVICE COMMISSION, RESPONDENTS.**

**PETITION TO REVIEW AND SET ASIDE ORDER OF FEDERAL
POWER COMMISSION.**

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[fol. 15299] Delivery of the Bonds and of the Stock (subject to the provisions of paragraph 14 hereof) shall be made to the Representative for the respective accounts of the above named Purchasers, against payment of the purchase price thereof as provided in paragraph 4 hereof.

14. As stated in the answer to Item 21 of the Registration Statement as to be amended by the Post-Effective amendment, the Company will offer a portion of the Stock (not exceeding a maximum of 14,000 shares) for subscription by certain of its Common Stockholders, all as more fully set forth in said Item. If and to the extent such stockholders subscribe for any of such shares pursuant to such offering, then the number of shares of Stock which the Company is obligated to sell the Purchasers hereunder, and the Purchasers are obligated to purchase, shall be correspondingly decreased, the several obligations of the several Purchasers of such Stock to be decreased proportionately (except that the respective number of shares to be purchased by each such Purchaser may be adjusted as among the Purchasers by the Representative to such extent as may be necessary in order to eliminate fractions of a share). The Company will, not later than 4 P. M., Eastern Standard Time, on the date of expiration of such offering to certain of its Common Stockholders, notify the Representative in writing of the number of shares not subscribed for and which are to be purchased by the Purchasers, and delivery of and payment for such unsubscribed Stock shall be made at the office of the Company, 90 Broad Street, New York, New York, at 11 A. M. Eastern Standard Time on the next succeeding full business day. The provisions of paragraph 4 hereof as to the manner of delivery of and payment for Stock, form of stock certificate and manner of registration of stock certificates shall also be applicable to the delivery of such unsubscribed Stock. Default by any Purchaser to take and pay for its proportion of such unsubscribed Stock shall not relieve the Company from its obligation to deliver to the remaining Purchasers, nor relieve such remaining Purchasers from their several obligations to take and pay for, their respective proportions of such unsubscribed Stock.

15. Notices. All communications hereunder shall be in writing and if to the Purchasers shall be mailed or delivered to the Representative, at 38 Wall Street, New York, N. Y., or, if to the Company, shall be mailed or delivered to it at 90 Broad Street, New York, New York.

Please sign and return to us the enclosed duplicate of this letter, whereupon this letter will become a binding agreement between the Company and the several Purchasers, in accordance with its terms.

Very truly yours,

PANHANDLE EASTERN PIPE
LINE COMPANY,

By Louis F. Sperry, Treasurer.

The foregoing Purchase Agreement is hereby confirmed and accepted as of the date first above written.

GLORE FORGAN & CO.
KIDDER PEABODY & CO.

Acting on behalf of the several Purchasers named in paragraph 13 thereof, including itself if so named.

PANHANDLE EASTERN PIPE LINE COMPANY SYSTEM

EST

Line No.	(A)	(B)	1941 (C)	1942 (D)	1943 (E)	1944 (F)
1	EAST OF DANA					
2	<u>Michigan</u>					
3	Detroit - - - - -		MCF SALES			
4			REVENUE \$	24 000 000	27 000 000	29 150 000
				6 286 000	7 290 000	8 045 400
5	Other					
6	Industrial - - - - -		MCF SALES	1 040 000	1 423 000	1 586 000
7			REVENUE \$	210 000	287 600	321 600
8	Dom. Comm. & Other - -		MCF SALES	407 500	4 051 870	4 697 200
9			REVENUE \$	105 700	947 100	1 104 100
10	<u>Indiana and Ohio</u>					
11	Industrial - - - - -		MCF SALES	10 250 000	11 300 000	12 100 000
12			REVENUE \$	1 896 300	2 090 500	2 238 500
13	Other (Incl. Co. use) - -		MCF SALES	5 200 000	5 600 000	6 000 000
14			REVENUE \$	1 294 800	1 433 600	1 572 000
15	<u>Kentucky Natural Gas Corp. -</u>		MCF SALES	2 200 000	1 720 000	1 690 800
16			REVENUE \$	484 000	404 200	397 300
17	TOTAL EAST OF DANA - - - - -		MCF SALES	42 057 500	50 711 870	55 061 000
18			REVENUE \$	10 068 800	12 375 400	13 644 900
19	WEST OF DANA					
20	<u>Industrial</u> - - - - -		MCF SALES	13 000 000	14 000 000	14 300 000
21			REVENUE \$	2 158 000	2 324 000	2 373 800
22	<u>Domestic and Commercial</u> - - -		MCF SALES	7 000 000	7 500 000	8 100 000
23			REVENUE \$	2 396 000	2 482 500	2 705 400
24	TOTAL WEST OF DANA - - - - -		MCF SALES	20 000 000	21 500 000	22 400 000
25			REVENUE \$	4 454 000	4 806 500	5 079 200
26	TOTAL MAIN LINE - - - - -		MCF SALES	62 057 500	72 211 870	77 461 000
27			REVENUE \$	14 522 800	17 181 900	18 724 100

Estimated unit rates used in calculating revenues to be received from sale of gas to the Michigan Consolidated Gas Company for assumptions:

- (1) Michigan Consolidated Gas Company will continue to purchase all of Detroit's requirements under the present two part rate.
- (2) Panhandle Eastern will carry the peak loads and Detroit will therefore earn a unit rate corresponding to a poor load factor. If Detroit should shave its peaks or avail itself of the new so called "28-40" rate the average rate would be less than that used.

Estimated unit rates used in calculating revenues to be received from sale of gas to Consumers Power Company are based upon the Company will shave its peaks through the use of gas produced in Michigan and will therefore earn a rate corresponding to a good load factor. If Consumers Power Company should fail to shave its peaks as contemplated the average rate would be considerably higher than the

ANY SYSTEM

ESTIMATED MAIN LINE SALES AND REVENUES
YEARS 1941 - 1946, INCLUSIVE

1943 (K)	1944 (F)	1945 (G)	1946 (H)
29 150 000 8 045 400	30 950 000 8 697 000	32 750 000 9 399 300	34 700 000 10 167 100
1 423 000 287 600	1 588 000 321 600	1 718 000 348 100	3 323 000 669 600
4 697 200 1 104 100	5 060 000 1 226 300	5 451 000 1 330 700	10 296 200 2 503 800
12 100 000 2 238 500	12 700 000 2 349 500	13 200 000 2 442 000	13 700 000 2 534 500
6 000 000 1 572 000	6 400 000 1 715 200	6 800 000 1 863 200	7 200 000 2 016 000
1 690 800 397 300	2 002 500 470 600	2 500 000 537 500	2 920 000 686 200
55 061 000 13 644 900	58 700 500 14 780 200	62 419 000 15 970 800	72 139 200 18 577 200
14 300 000 2 373 800	14 850 000 2 465 100	15 300 000 2 539 800	15 600 000 2 589 600
8 100 000 2 705 400	8 700 000 2 923 200	9 300 000 3 143 400	9 850 000 3 349 000
22 400 000 5 079 200	23 550 000 5 388 300	24 600 000 5 683 200	25 450 000 5 938 600
77 461 000 18 724 100	82 250 500 20 168 500	87 019 000 21 654 000	97 589 200 24 515 800

Michigan Consolidated Gas Company for Detroit are based upon the following

ts under the present two part rate.
corresponding to a poor load factor.
rate would be less than that used above.

ers Power Company are based upon the assumption that Consumers Power
a rate corresponding to a good load factor.
would be considerably higher than that used above.

Exhibit 162

ESTIMATED SALES TO DETROIT
1941 - 1951 INCLUSIVE

T H E R M S

Year	Est. H.H. Cust.		Total	Approx. True B. Load	Approx. Heating 25 c.f x 6500 d.d x Avg. H.H.C.	Max. Days M. MCF		Total
	End Yr.	Avg.				B.L. @ 80% L.F. (Jan. Max.)	H.H. Demand*	
1937	11	782	161 418 342	143 400 000				
1938	17	473	162 126 050	136 500 000				
1939	27	558	185 908 514	146 000 000				
1940	38	773	222 769 874	157 000 000				
1941	48	000	240 000 000	170 000 000	70 000 000	58	84	142
1942	58	000	270 000 000	184 000 000	86 000 000	63	101.5	164.5
1943	63	000	291 500 000	193 000 000	98 500 000	66	110	176
1944	68	000	309 500 000	203 000 000	106 500 000	70	119	189
1945	73	000	327 500 000	213 000 000	114 500 000	73	128	201
1946	78	000	347 000 000	224 000 000	123 000 000	77	136.5	213.5
1947	83	000	366 000 000	235 000 000	131 000 000	81	145	226
1948	88	000	386 000 000	247 000 000	139 000 000	85	154	239
1949	93	000	407 000 000	260 000 000	147 000 000	89	163	252
1950	98	000	428 500 000	273 000 000	155 500 000	93	171.5	264.5
1951	103	000	450 000 000	287 000 000	163 000 000	98	180.5	278.5
1952	108	000	473 500 000	302 000 000	171 500 000	103	189	292

* H. H. Dem. = Cust. end of Yr. x 70 (d.d) x 25 c.f

B.L. Dem. = 365 x .8 into B.L. for Yr. (thats what its running now-see study to Fed. Pr. on Detroit h.h. rate. B.L. Dem. = 542 467)

Annual D.D.D. at Detroit = 6 500

"Max. Day" as used here means the contribution to system Max. Day as of Dec. in the year shown or in Jany. of the succeeding year.

ESTIMATED SALES - ANN ARBOR
MONROE & ADRIAN MICH.

		<u>MCF</u> <u>ANNUAL</u>	<u>MCF</u> <u>CONTRIBUTION TO</u> <u>MAX. DAY</u>		
1940		304 546	1 258	67%	L.F.
1941		362 500	1 384	71.5%	
1942		400 000	1 560	70%	
1943	10% inc.	440 000	1 720		
1944	8% inc.	475 000	1 850		
1945		510 000	2 000		
1946		545 000	2 130		
1947		580 000	2 260		
1948		615 000	2 400		
1949		650 000	2 540		
1950		685 000	2 680		
1951		720 000	2 820		

	<u>MONROE, MICH.</u> (Excludes Republic)		<u>ADRIAN, MICH.</u> 2500 to 3000 Cust.	
	<u>Annual</u>	<u>Confr.</u>	<u>Annual</u>	<u>Confr.</u>
1941	45 000	400 (Dec.)	-	-
1942	115 000	580 (Jan.)	75 000	370
1943	140 000	700	94 500	540
1944	Gain 2 MCF per cust. on 4000	148 000	120 000	800
1945		156 000	126 000	860
1946		164 000	132 000	920
1947	Gain 2 MCF per cust. on 4500	173 000	138 000	980
1948		182 000	144 000	1 040
1949		191 000	150 000	1 100
1950	Gain 2 MCF per cust. on 5000	201 000	156 000	1 160
1951		211 000	162 000	1 220

TOTALS

1941 (Ann Arbor & Mon.)	407 500	1 384 Jan. Ann Arbor	1 784 Dec. Both Ann Arbor & Monroe (not Adrian)
1942	590 000	2 510 Jan.	
1943	674 500	2 960	
1944	743 000	3 460	
1945	792 000	3 715	
1946	841 000	3 950	
1947	891 000	4 195	
1948	941 000	4 440	
1949	991 000	4 690	
1950	1 042 000	4 940	
1951	1 093 000	5 190	

ESTIMATE OF TOTAL MCF SALES TO BE EXPERIENCED IN SOUTHERN MICHIGAN
ASSUMING LOCAL GAS IS DEPLETED AT END OF FIVE YEARS FROM DECEMBER 31, 1940

Consumers Power Company	1st Year (1942)	2nd Year	3rd to 5th Years	6th to 10th Years
(1) Pontiac, Flint and Owosso	3 154 270	3 709 720	4 324 880	6 178 400
(1) Jackson, Marshall, and Kalamazoo	947 660	1 165 990	1 429 400	2 042 000
(2) Battle Creek	570 000	747 000	1 024 000	1 024 000
(3) Adrian	75 000	94 500	120 000	120 000
(4) Lansing, Grand Rapids, Saginaw, Bay City, Alma, Clare, Big Rapids, Muskegon, Mt. Pleasant		Local Gas for Five Years		10 477 500
Total	4 746 930	5 717 210	6 598 280	19 841 900

NOTE: Possible Boiler Load of five billion cubic feet not included in above.

- (1) J. A. Brown's estimate of 1/2/41 as set forth in REPL Study IV. It is attached to these papers
- (2) C. H. M. Burnham's estimate February 1938.
- (3) O. W. Morton's estimate June 11, 1941.
- (4) Michigan Public Utilities Commission, Dept. of Conservation, 1940 Report

		1942	1943	1944	1945	1946	1947	1948
(1) Pontiac, Flint and Crossover	- Annual	3,154,270	3,709,720	3,900,000	4,100,000	4,324,880	4,700,000	5,100,000
	Max-Day	8,600	10,200	12,000	12,500	13,200	14,300	15,100
(1) Jackson, Marshall, Kalamazoo	- Annual	947,600	1,165,990	1,255,000	1,345,000	1,429,400	1,550,000	1,600,000
	Max-Day	2,600	3,200	3,600	4,100	4,300	4,800	5,000
(2) Battle Creek	- Annual	400,000	570,000	750,000	932,000	1,024,000	1,050,000	1,100,000
	Max-Day	1,600	2,200	2,900	3,700	4,000	4,100	4,300
(4) Lansing, Grand Rapids, Saginaw, Bay City, Alma, Clare, Big Rapids, Muskegon, Mt. Pleasant	- Annual					6,000,000	7,000,000	8,000,000
	Max-Day					27,400	32,000	36,000
Total	- Annual	4,501,870	5,445,710	5,905,000	6,377,000	12,778,200	14,300,000	15,800,000
	Max-Day	12,800	15,600	18,700	20,300	48,900	55,200	61,400
Ann Arbor, Monroe and Adrian	- Annual	590,000	674,500	743,000	792,000	841,000	891,000	941,000
	Max-Day	2,500	3,000	3,500	3,700	3,900	4,200	4,500
Total	- Annual	5,091,870	6,120,210	6,648,000	7,169,000	13,619,200	15,191,000	16,741,000
	Max-Day	15,300 Dec. 12, 000 Jan.	18,600	22,200	24,000	52,800	59,400	65,900

- (1) J. A. Brown's estimates with slight adjustments. On the "Contribution to Max-Day" we could not use his individual Max-Day estimates, o
- (2) C.H.M.B. and R.A.R.'s estimate - Checks ok with mine.
- (4) C.H.M.B. advises this is present use according to M.P.U. Comm. Dept. of Conservation 1940 Report.
I moved the exhaustion of Michigan Gas back 1 year to be conservative.
This sheet grew out of C.H.M.B.'s report to me (W.S. #3)

ESTIMATED SALES
OTHER MICHIGAN

	1946	1947	1948	1949	1950	1951
0	4 324 880	4 700 000	5 100 000	5 500 000	5 850 000	6 178 400
0	13 200	14 300	20 000	23 000	26 700	30 800
0	1 429 400	1 550 000	1 680 000	1 800 000	1 920 000	2 042 000
0	4 300	4 800	6 600	7 600	8 700	10 200
0	1 024 000	1 050 000	1 080 000	1 100 000	1 150 000	1 200 000
0	4 000	4 100	4 200	4 300	4 500	5 500
	6 000 000	7 000 000	8 000 000	9 000 000	10 000 000	10 477 500
	27 400	32 000	36 000	41 000	46 000	52 000
0	12 778 200	14 300 000	15 860 000	17 400 000	18 920 000	19 897 900
0	48 900	55 200	66 800	75 900	85 900	98 500
0	841 000	891 000	941 000	991 000	1 042 000	1 093 000
0	3 900	4 200	4 400	4 700	5 000	5 200
0	13 619 200	15 191 000	16 801 000	18 391 000	19 962 000	20 998 900
0	52 800	59 400	71 200	80 600	90 900	103 700

s individual Max-Day estimates, of course.

			1942	1943	1944	1945	1946	1947	1948
<u>Pontiac, Flint and Owosso</u>									
Total			- Annual	3 154 270	3 709 720	3 900 000	4 100 000	4 324 880	4 700 000
"			- Max-Day	8 600	10 200	12 000	12 500	13 200	14 300
A	Industrial	- Annual	680 000	925 000	975 000	1 040 000	1 080 000	1 175 000	1 280 000
B	"	- Max-Day	1 850	2 500	3 000	3 170	3 300	3 600	
<u>Jackson, Kalamazoo, Marshall</u>									
Total			- Annual	947 600	1 165 990	1 255 000	1 345 000	1 429 400	1 550 000
"			- Max-Day	2 600	3 200	3 800	4 100	4 300	4 800
A	Industrial	- Annual (17%)	160 000	198 000	213 000	228 000	243 000	263 000	280 000
B	"	- Max-Day	440	540	650	700	740	800	
<u>Battle Creek</u>									
Total			- Annual	400 000	570 000	750 000	932 000	1 024 000	1 050 000
"			- Max-Day	1 600	2 200	2 900	3 700	4 000	4 100
A	Industrial	- Annual	200 000	300 000	400 000	450 000	500 000	525 000	540 000
B	"	- Max-Day	600	900	1 200	1 400	1 500	1 600	
<u>Lansing, Grand Rapids, Saginaw, Bay City, Alma, etc.</u>									
Total			- Annual				6 000 000	7 000 000	8 000 000
"			- Max-Day				27 400	32 000	
A	Industrial	- Annual (25%)					1 500 000	1 750 000	2 000 000
B	"	- Max-Day					4 500	5 300	
<u>Totals from W.S. #4</u>									
Total			- Annual	5 091 870	6 120 200	6 648 000	7 169 000	13 619 200	15 191 000
"			- Max-Day	12 000	18 600	22 200	24 000	52 800	59 400
Total) A Industrial			- Annual	1 040 000	1 423 000	1 588 000	1 718 000	3 323 000	3 713 000
(") B			- Max-Day	2 890	3 940	4 850	5 270	10 040	11 300
Other (than Industrial)			- Annual	4 051 870	4 697 200	5 060 000	5 451 000	10 296 200	11 478 000
			- Max-Day	9 110	14 660	17 350	18 730	42 760	48 100

ESTIMATE BREAKDOWN OF "OTHER" MICHIGAN SALES BETWEEN INDUSTRIAL AND OTHER

This work sheet results from request of Mr.
Creveling for a breakdown between Industrial
and other Sales shown on W.S. 4 and Summary.

	1946	1947	1948	1949	1950	1951
3	4 324 880	4 700 000	5 100 000	5 500 000	5 850 000	6 178 400
3	13 200	14 300	20 000	23 000	26 700	30 800
3	1 080 000	1 175 000	1 280 000	1 380 000	1 460 000	1 550 000
3	3 300	3 600	3 900	4 200	4 450	4 740
3	1 429 400	1 550 000	1 680 000	1 800 000	1 920 000	2 042 000
3	4 300	4 800	6 600	7 600	8 700	10 200
3	243 000	263 000	285 000	306 000	328 000	347 000
3	740	800	870	930	1 000	1 050
3	1 024 000	1 050 000	1 080 000	1 100 000	1 150 000	1 200 000
3	4 000	4 100	4 200	4 300	4 500	5 500
3	500 000	525 000	540 000	550 000	570 000	600 000
3	1 500	1 600	1 650	1 670	1 730	1 830
	6 000 000	7 000 000	8 000 000	9 000 000	10 000 000	10 477 500
	27 400	32 000	36 000	41 000	46 000	52 000
	1 500 000	1 750 000	2 000 000	2 250 000	2 500 000	2 620 000
	4 500	5 300	6 000	6 850	7 620	7 980
3	13 619 200	15 191 000	16 801 000	18 391 000	19 962 000	20 990 900
3	52 800	59 400	71 200	80 600	90 900	103 700
3	3 323 000	3 713 000	4 105 000	4 486 000	4 856 000	5 117 000
3	10 040	11 300	12 420	13 660	14 800	15 600
3	10 296 200	11 478 000	12 696 000	13 905 000	15 106 000	15 873 900
3	42 760	48 100	58 780	66 940	76 100	88 100

WORK SHEET SHOWING ESTIMATE OF
INDUSTRIAL SALES IN INDIANA

		ANNUAL MCF	CONTRIBUTION TO SYSTEM MAX. DAY
1940		7 642 862	
1941		10 250 000	27 708 (Feby.)
1942	x 1.10	11 300 000	34 400
1943	x 1.07	12 100 000	36 800
1944	x 1.05	12 700 000	35 700
1945		13 200 000	40 250
1946		13 700 000	41 700
1947		14 200 000	43 250
1948		14 700 000	44 750
1949		15 200 000	46 300
1950		15 700 000	47 800
1951		16 200 000	49 400

At August 6th statistics for last year and this year indicate 1941 will exceed 1940 by 33 1/3%. See sheet 25C PEPL Financial Report..

	First 6 Mos.		12 Mos.	
	MCF	REV.	MCF	REV.
1940	3 543 428	675 980.27	7 642 862	1 451 463.51
1941	4 740 935	889 518.06	10 250 000	
Avg. per Mo. 1940	590 000	112 600		
Avg. per Mo. 1941	790 000	148 200		
Increase per Mo.	200 000	35 600		
Increase %	34	32		

Exhibit 162

ESTIMATED RESIDENTIAL, COMMERCIAL AND COMPANY USE - EAST OF DANA
FOR ALL DISTRIBUTORS IN OHIO AND INDIANA
EXCLUDES ALL MICHIGAN SALES

1937	1 939 800
1938	3 133 118
1939	3 979 999
1940	4 779 428
1940-1st 6 Months	2 363 143
	<u>65 825</u>

2 428 958

1941-1st 6 Months

1 867 736
<u>687 720</u>
95 018

2 650 474

	Annual MCF	Contr. To Max. Day M. MCF.
1941	5 200 000	21
1942	5 600 000	28
1943	6 000 000	30
1944	6 400 000	32
1945	6 800 000	34
1946	7 200 000	36
1947	7 600 000	38
1948	8 000 000	40
1949	8 400 000	42
1950	8 800 000	44
1951	9 200 000	46

Approximately 100,000 customers represented. Increase is 4 MCF per customer per year, which would be too high but for the fact that there will be new customers. Above estimate is growth of present customers plus new business.

Year 1943 looks like 55% l. f. If increase in latter years is due $\frac{1}{2}$ to Base Load at 85% L. F. and $\frac{1}{2}$ to h. h. at 25% L. F., then the L. F. of the increase shown would be 55% and this seems reasonable.

Exhibit 162
WORK SHEET SHOWING ESTIMATED SALE
KENTUCKY NATURAL GAS COMPANY BY YEARS

5 Mos., 1941

M.MCF
687 500
29 200
716 700

Contribution to
Max-Day 90% L.F.
M.MCF

1942

1 650 000
70 000
1 720 000

5.2

1943

1 650 000
40 800
1 690 800

5.2

1944 7/12x1,650,000
5/12x2,500,000

962 500
1 040 000
2 002 500

6.1

Contribution to
System Max-Day
M.MCF

1945

M.MCF
2 500 000

7.6

1946 7/12x2,500,000
5/12x3,500,000

1 460 000
1 460 000
2 920 000

8.9

1947

3 500 000

10.6

1948

4 000 000

12.2

1949

4 000 000

12.2

1950

4 250 000

13.0

1951

4 500 000

13.7

Min. provisions of contract: 6/27/41

Note:

Kentucky Natural is 140,000 MCF
"under" their present contract.
It is anticipated it will take
140,000 over a period of 2 yrs thus:

Therms
16,500,000 8/1/41-7/31/42
16,500,000 8/1/42-7/31/43
16,500,000 8/1/43-7/31/44
25,000,000 8/1/44-7/31/45
25,000,000 8/1/45-7/31/46
35,000,000 after -

1941 29 200
1942 70 000
1943 40 800

140 000

May obligation P.E.P.L.P.

150,000 th/day

45 MM th. Yr.

Short now 140,000 MCF. which will make up in 24 Mos.

16,500,000x12

= 1,375,000 per mo. or 45,000th @ 90% L.F. = 1,375x(30.4x 90)

= 5 MM day on Max Day or 4.5 MM per day avg.

140 MM = 5.83 MM/MO

24 MO

5.83x12= 70 MM yr.

8-8-41

ALL FIGS. SLIDE RULE

5287

DIRECT AND INDIRECT INDUSTRIAL
WEST OF DANA

		M	C	F
		Industrial Indirect	Industrial Direct	Total
April	1939	472 609	297 985	770 594
May		471 617	296 792	768 409
June		468 823	302 325	771 148
July		397 721	317 660	715 381
August		493 868	327 418	821 286
September		508 143	335 956	844 099
October		556 223	374 818	931 041
November		596 469	378 046	974 515
December		570 296	377 059	947 355
9 Mos. Total		4 535 769	3 008 059	7 543 828
January	1940	550 257	193 865	844 132
February		595 336	271 689	867 025
March		511 451	346 520	857 971
April		534 196	328 633	862 829
May		518 020	342 951	860 971
June		549 838	340 160	889 998
July		531 179	368 430	899 609
August		575 018	360 036	935 054
September		610 890	347 879	958 769
October		599 792	366 425	966 217
November		658 192	381 618	1 039 810
December		661 893	391 627	1 053 520
12 Mos. Total		6 996 072	4 039 833	11 035 905
January	1941	674 063	230 404	904 467
February		674 166	374 882	1 049 048
March		626 777	400 121	1 026 898
April		672 538	405 377	1 077 915
May		637 478	437 750	1 075 228
June		645 902	459 361	1 105 263
July				1 200 000 Est.
August				1 250 000
September				1 300 000
October				1 320 000
November				1 330 000
December				1 330 000
12 Mos. Total				13 968 819
2nd 6 Mos.				7 730 000
1st 6 Mos.				6 238 819

ESTIMATE OF DIRECT AND INDIRECT INDUSTRIAL SALES
FOR PERIOD 1941 - 1951 - WEST OF DANA

			Total	Contribution to System Max- Day = Avg. + 90 M. MCF
1940			11 035 905	
1941			13 000 000	38.4
1942	Prev. x 1.075		14 000 000	42.6
1943	" x 1.03	/	14 300 000	43.6
1944	" x 1.03	/	14 850 000	45.2
1945	" x 1.03	/	15 300 000	46.6
1946	" x 1.02	-	15 600 000	47.5
1947	" x 1.02	-	15 900 000	48.5
1948	" x 1.02	-	16 200 000	49.4
1949	" x 1.02	-	16 500 000	50.3
1950	" x 1.02	-	16 800 000	51.1
1951	" x 1.01		17 000 000	51.8

MAIN LINE SALES WEST OF DANA
DOES NOT INCLUDE ARGUS, LOCAL AREA, CO. USE, LEAKAGE, DRILLING OR FIELD GAS
DOMESTIC AND COMMERCIAL ONLY

		Detail of Industrial		Contribution	%
		Direct	Indirect	to Max-Day	L.F.
<u>1938</u>					
Total	13 583 050				
Direct & Indirect Industrial	8 436 234	2 975 257	5 460 977	54.962	67.5
Domestic and Commercial	5 146 816				
<u>1939</u>					
Total	15 548 344				
Direct & Indirect Industrial	9 781 429	3 759 850	6 021 579	57.553	74
Domestic and Commercial	5 766 915				
<u>1940</u>					
Total	17 539 135				
Direct & Indirect Industrial	11 035 905	4 039 833	6 996 072	71.728	67
Domestic and Commercial	6 503 230				

(1941) 72 414

133,000 avg. customers during 1940 and 136,000 at December 1940. Prospective Business as follows: Domestic and Commercial only (Industrial not here).

	Cust.	1st	2nd	3rd
Bloomington and Normal	10 000	213 400	250 000	278 100
California, Missouri	400 (ult)	2 500	7 000	15 000
Clinton	1 200	24 000	31 000	38 100
Galesburg Group	10 000	200 000	250 000	280 000

			<u>Customer</u>	<u>MCF Per Customer</u>	<u>MCF Annual</u>	<u>Contribution to Max-Day M. MCF</u>
114,000	1936	1941	140 000	50	7 000 000	34.0
136,000	1940	1942	145 000	52	7 500 000	41.0
22,000	Gain	1943	150 000	54	8 100 000	44.3
5 to 6 M per year		1944	155 000	56	8 700 000	47.6
		1945	160 000	58	9 300 000	51.0
		1946	164 000	60	9 850 000	54.0
		1947	167 000	61	10 200 000	56.0
		1948	169 000	62	10 500 000	57.6
		1949	170 000	63	10 700 000	58.6
		1950	171 000	64	10 900 000	59.7
		1951	172 000	65	11 200 000	61.5

Growth about 2 MCF per customer per year.

Max-Day total west of Dana 2/19/41 was 72,414 at that time Direct and Indirect Industrial apparently contributed about 1,048,945 MCF $\div 30.4 = 38.4$ MCF leaving 34.0 MM as D & C contribution. $\frac{1,000,000}{365}$ MCF $\div 34.0 = .565$ (temp. $\div 17$)

This same ratio for 1939 was .54
and for 1940 was .43 (temp. 0)
Used ratio of .5 for future years.

15312

Exhibit 163

COLUMBIA SYSTEM

FINANCIAL STATEMENT

OF

MICHIGAN GAS TRANSMISSION CORPORATION
(Unassigned)

FOR PERIOD ENDED December 31, 19 41

SIGNED

E. J. Murrell
Assistant

TREASURER

DATE January 21, 1942

1

ASSETS
15313

COLUMBIA SYSTEM

MICHIGAN GAS TRANSMISSION CORPORATION

Exhibit 163

Balance Sheet as of December 31, 1941

Acc't No.	SUMMARY	Detail on Page		Increase	
				Over Previous Month	Since January First
1	FIXED CAPITAL	x x	12 804 341 16	34 292 78	508 444 17
2	INVESTMENTS IN SUBSIDIARY COMPANIES	x x	-	-	-
3	OTHER INVESTMENTS	x x	-	-	-
4	CURRENT AND WORKING ASSETS	x x	1 533 025 62	80 678 60	546 608 68
5	INTER COMPANY ACCOUNTS	x x	29 323 77	559 64	2 691 20
6	SPECIAL DEPOSITS AND FUNDS	x x	13 00	-	13 00
7	DEFERRED DEBITS	x x	38 565 13	32 323 06	32 915 46
8	CLEARING AND CONTRA ACCOUNTS	x x	4 388 74	653 65	3 825 21
9					
10	TOTAL ASSETS		14 409 717 62	14 157 77	4 101 44
11	DETAIL OF ASSETS				
12					
13	FIXED CAPITAL	73	12 792 700 02	471 347 58	501 579 92
14	1 Property, Plant and Equipment		11 641 08	437 054 90	6 564 25
15	2 Construction Work in Progress	x x			
16					
17					
18	TOTAL FIXED CAPITAL		12 804 341 16	34 292 78	508 444 17
19	INVESTMENTS IN ASSOCIATED COMPANIES				
20	3 Capital Stocks	20			
21	4 Bonds	20			
22	5 Notes Receivable	20			
23	6 Income Demand Notes Receivable	20			
24	7 Loans Receivable	20			
25	8 Income Demand Loans Receivable	20			
26					
27	TOTAL INVESTMENTS IN SUBSIDIARY CO'S		-	-	-
28	OTHER INVESTMENTS				
29	COLUMBIA OIL & GASOLINE CORPORATION				
30	10 Capital Stock - Preferred	20			
31	11 Bonds	20			
32	OTHER COMPANIES				
33	12 Capital Stocks	20			
34	13 Bonds	20			
35	14 Miscellaneous	20			
36	187 Less: Reserve for Investment Securities				
37	Total Other Companies				
38	TOTAL OTHER INVESTMENTS		-	-	-
39	CURRENT AND WORKING ASSETS				
40	20 Cash	x x	177 585 11	177 615 32	784 201 47
41	21 Working Funds	x x	4 900 00	50 00	300 00
42	23 Temporary Cash Investments	20	-	-	-
43	24 Notes Receivable	20	-	-	-
44	25 Accounts Receivable - Utility Service	20	358 812 54	10 333 31	101 762 24
45	26 " " - Appliance - Current Acc'ts	20	-	-	-
46	27 " " - Appliance - Install't Acc'ts	20	-	-	-
47	28 " " - Other	20 A	874 872 42	81 854 72	95 711 80
48	Total Notes and Accounts Receivable		1 233 684 96	92 188 03	197 474 04
49	188 Less: Reserve for Uncollectible Accounts	21	-	-	-
50	Net Notes and Accounts Receivable		1 233 684 96	92 188 03	197 474 04
51	31 Interest Receivable	x x	-	-	-
52	32 Dividends Receivable	x x	-	-	-
53	33 Supplies General	21 A	115 053 90	5 509 43	36 821 55
54	34 Supplies Fuel	x x	-	-	-
55	35 Merchandise Stock	x x	-	-	-
56	36 Gas Stored	20	-	-	-
57	37 Miscellaneous Inventories	x x	-	-	-
58	38 Prepaid Accounts	21 A	6 364 61	710 74	2 039 96
59	39 Other Current and Accrued Assets	21 A	497 24	-	497 24

29		COLUMBIA OIL & GASOLINE CORPORATION				
30	10	Capital Stock - Preferred	20			
31	11	Bonds	20			
32		OTHER COMPANIES				
33	12	Capital Stocks	20			
34	13	Bonds	20			
35	14	Miscellaneous	20			
36	187	Less: Reserve for Investment Securities				
37		Total Other Companies				
38		TOTAL OTHER INVESTMENTS		-	-	-
39		CURRENT AND WORKING ASSETS				
40	20	Cash	x x	172 585 11	177 615 32	784 201 27
41	21	Working Funds	x x	4 900 00	50 00	300 00
42	23	Temporary Cash Investments	20	-	-	-
43	24	Notes Receivable	20	-	-	-
44	25	Accounts Receivable - Utility Service	20	358 812 54	10 333 31	101 762 24
45	26	" " " Appliance - Current Accts	20	-	-	-
46	27	" " " Appliance - Install't Accts	20	-	-	-
47	28	" " " Other	20 A	874 872 42	81 854 72	95 711 80
48		Total Notes and Accounts Receivable		1 233 684 96	92 188 03	197 474 04
49	188	Less: Reserve for Uncollectible Accounts	21	-	-	-
50		Net Notes and Accounts Receivable		1 233 684 96	92 188 03	197 474 04
51	31	Interest Receivable	x x	-	-	-
52	32	Dividends Receivable	x x	-	-	-
53	33	Supplies General	21 A	115 053 90	5 509 43	36 881 55
54	34	Supplies Fuel	x x	-	-	-
55	35	Merchandise Stock	x x	-	-	-
56	36	Gas Stored	20	-	-	-
57	37	Miscellaneous Inventories	x x	-	-	-
58	38	Prepaid Accounts	21 A	6 364 61	710 74	3 039 96
59	39	Other Current and Accrued Assets	21 A	497 24	-	497 24
60						
61						
62						
63		TOTAL CURRENT AND WORKING ASSETS		1 533 095 82	80 678 50	546 608 68
				(A)	(B)	(C)

Exhibit 163

COLUMBIA SYSTEM
MICHIGAN GAS TRANSMISSION CORPORATION15314
ASSETS 1-A
December 31, 1941

Balance Sheet as of

Acct No.	DETAIL OF ASSETS (Continued)	Detail on Page	Increase	
			Over Previous Month	Since January First
54	INTER-COMPANY ACCOUNTS			
55	Accounts Receivable - This Group	20	-	-
56	Other Groups	20 B	29 323 77	558 64
57	Dividends Receivable	20	-	2 691 20
58	Interest Receivable	20	-	-
70				
71	TOTAL INTER-COMPANY ACCOUNTS		29 323 77	558 64
72	SPECIAL DEPOSITS AND FUNDS			2 691 20
73	Impounded Cash	20	-	-
74	Employees Welfare Fund	20	-	-
75	Miscellaneous	20 A	13 00	13 00
76				
77				
78				
79	TOTAL SPECIAL DEPOSITS AND FUNDS		13 00	13 00
80	DEFERRED DEBITS			
81	Unamortized Debt Discount and Expense	21	-	-
82	Extraordinary Property Losses	21	-	-
83	Preliminary Survey and Investigation Charges	21 A	2 079 72	922 38
84	Other Deferred Debits	21 A	36 485 41	2 079 72
85			33 245 44	30 835 74
86				
87				
88				
89				
90	TOTAL DEFERRED DEBITS		38 565 13	32 323 06
91	CLEARING AND CONTRA ACCOUNTS			32 915 46
92	Maintenance and Jobbing Work in Progress	x x	4 388 74	653 65
93	Shop Expense-Clearing	x x	-	3 825 81
94	Other Clearing Accounts	x x	-	-
95	Inter-Co. Contingent Interest Receivable (Contra Asset)	x x	-	-
96	Inter-Co. Contingent Interest Expense (Contra Acc't)	x x	-	-
97	Contingent Assets (Contra Account)	x x	-	-
98	Non-Productive Well Drilling Expense	x x	-	-
99	Special Deposits-Interest & Dividends (Contra Acc't)		-	-
100				
101				
102				
103				
104				
105				
106	TOTAL CLEARING AND CONTRA ACC'TS		4 388 74	653 65
107	TOTAL ASSETS		14 409 717 62	14 157 77

(A)

(B)

(C)

2-A LIABILITIES

COLUMBIA SYSTEM MICHIGAN GAS TRANSMISSION CORPORATION

Exhibit 163

Balance Sheet as of December 31, 1941

Account No.	DETAIL OF LIABILITIES (Continued)	Detail on Page		Increase		
				Over Previous Month	Since January First	
15315	CLEARING AND CONTRA ACCOUNTS					64
86	Transportation Expenses - Clearing	21 B	602 70	131 58	451 72	65
166	Other Clearing Accounts	21 C	254 65	14 38	830 05	66
167	Contingent Liabilities (Contra Account)	21	-	-	-	67
168	Unpres. Coupons & Unclaimed Dividends (Contra Acc't)	21	-	-	-	68
169	Inter Co. Contingent Interest Payable (Contra Acc't)	21	-	-	-	69
170	Inter Co. Contingent Interest Income (Contra Acc't)	21	-	-	-	70
						71
	TOTAL CLEARING AND CONTRA ACC'TS		857 35	120 20	1 281 77	72
	RESERVES AND SPECIAL SURPLUS					73
180	Retirement and Depletion	21 C	1 697 894 03	34 827 36	357 809 07	74
97	Less Retirement Work in Progress	21 B	71 70	2 061 08	873 42	75
	Net Reserve for Retirement and Depletion		1 697 965 73	32 766 28	358 692 49	76
181	Injuries and Damages	21 C	18 216 86	19 90	7 451 20	77
182	Non-Productive Well Drilling	21	-	-	-	78
183	Contributions In Aid of Construction	21 C	9 352 96	10 00	10 00	79
184	Columbia System Protection Fund	21	-	-	-	80
185	Contingencies	21 C	317 648 19	7 972 53	210 628 61	81
186	Other Reserves	21 C	1 200 00	100 00	240 00	82
190	Special Capital Surplus	18 A	139 500 00	-	-	83
191 & 2	Surplus Prior to January 1, 1938	18 A	28 215 02	1 552 26	126 897 16	84
						85
	TOTAL RESERVES AND SPECIAL SURPLUS		2 212 098 76	42 420 97	449 645 14	86
	CAPITAL AND SURPLUS SINCE DEC. 31, 1937		-	-	-	87
101	44,800 Shares Common (No Par)					88
Less	Shares in Treasury	x x	2 240 000 00	-	-	89
103	Shs. Pref. (- %) (- Par)					90
Less	Shares in Treasury	x x	-	-	-	91
	Shs. Pref. (- %) (- Par)					92
Less	Shares in Treasury	x x	-	-	-	93
	Shs. Cum. Pref. (- %) (- Par)					94
Less	Shares in Treasury	x x	-	-	-	95
	Authorized 60,000 shares common					96
	Unissued 15,200 Shares Common					97
						98
	Total Capital Stocks		2 240 000 00	-	-	99
93	Capital Surplus Since December 31, 1937	18 A	-	-	-	100
94	Earned Surplus Since December 31, 1937	18	132 081 13	16 141 48	11 251 76	101
						102
						103
						104
	Total Surplus	x x	132 081 13	16 141 48	11 251 76	105
	TOTAL CAPITAL AND SURPLUS SINCE DEC. 31, 1937	x x	2 372 081 13	16 141 48	11 251 76	106
	TOTAL LIABILITIES		14 409 717 62	14 157 77	4 101 44	107

(A)

(B)

(C)

MICHIGAN GAS TRANSMISSION CORPORATION

Exhibit 163

Balance Sheet as of December 31, 1941

Acct No.	SUMMARY	Detail on Page	Increase		
			Over Previous Month	Since January First	
	LONG TERM DEBT (Except Current Maturities)	x x	-	-	1
	LONG TERM DEBT - INTER-COMPANY	x x	8 520 500 00	400 000 00	2
	CURRENT AND ACCRUED LIABILITIES	x x	1 495 780 03	42 403 18	3
	INTER-COMPANY ACCOUNTS	x x	7 866 69	2 443 21	4
	DEFERRED CREDITS	x x	533 66	3 816 62	5
	CLEARING AND CONTRA ACCOUNTS	x x	857 35	1 281 77	6
	RESERVES	x x	2 212 098 76	449 645 14	7
	CAPITAL AND SURPLUS	x x	2 372 081 13	11 251 76	8
					9
	TOTAL LIABILITIES		14 409 717 62	4 101 44	10
	DETAIL OF LIABILITIES				
	LONG TERM DEBT (Except Current Maturities)				11
110	Bonds	20			12
111	Miscellaneous	20			13
	TOTAL LONG TERM DEBT		-	-	14
	LONG TERM DEBT - INTER-COMPANY				15
115	Notes Payable	20B	5 900 500 00	-	16
116	Income Demand Notes Payable	20	-	-	17
117	Loans Payable	20B	2 420 000 00	400 000 00	18
118	Income Demand Loans Payable	20	-	-	19
					20
					21
					22
	TOTAL LONG TERM DEBT - INTER-COMPANY		8 320 500 00	400 000 00	23
	CURRENT AND ACCRUED LIABILITIES				24
120	Notes Payable	20			25
121	Accounts Payable	x x	1 076 212 86	91 959 31	26
122	Compensation Awards Payable	20	-	-	27
123	Long Term Debt - Current Maturities	20	-	-	28
124	Dividends Declared	x x	-	-	29
125	Customers Deposits	x x	-	-	30
126	Other Current Liabilities	20A x x	14 516 88	24 773 69	31
127	Accrued Taxes	21B	403 080 15	17 671 42	32
128	Accrued Interest Customers Deposits	21	-	-	33
129	Long Term Debt	21	-	-	34
130	Other	21	-	-	35
131	Accrued Dividends	x x	-	-	36
132	Other Accrued Liabilities	21B	1 970 14	6 168 15	37
					38
					39
					40
					41
					42
					43
	TOTAL CURRENT AND ACCRUED LIABILITIES		1 495 780 03	43 346 05	44
	INTER-COMPANY ACCOUNTS				45
155	Accounts Payable - This Group	20	-	-	46
156	Other Groups	20B	7 866 69	120 97	47
157	Dividends Payable	20	-	-	48
158	Interest Payable	20	-	83 205 00	49
					50
					51
	TOTAL INTER-COMPANY ACCOUNTS		7 866 69	83 325 97	52
	DEFERRED CREDITS				53
160	Contingent Earnings Pending Rate Decision	21	-	-	54
75	Less: Income Tax on Contingent Earnings	21	-	-	55
	Net Contingent Earnings		-	-	56
161	Customers Advances for Construction	21	-	-	57
162	Unclaimed Customers Deposits Including Interest	21	-	-	58
163	Other Deferred Credits	21A	533 66	337 14	59

127	Accrued Taxes	21B	403 080 15	17 671 42	50 101 51	33
128	Accrued Interest Customers Deposits	21	-	-	-	34
129	Long Term Debt	21	-	-	-	35
130	Other	21	-	-	-	36
131	Accrued Dividends	x x	-	-	-	37
132	Other Accrued Liabilities	21B	1 970 14	6 168 15	619 60	38
						39
						40
						41
						42
						43
	TOTAL CURRENT AND ACCRUED LIABILITIES		1 495 780 02	43 346 05	42 403 18	44
	INTER-COMPANY ACCOUNTS					45
155	Accounts Payable-This Group	20	-	-	-	46
156	Other Groups	20B	7 866 69	120 97	2 443 21	47
157	Dividends Payable	20	-	-	-	48
158	Interest Payable	20	-	83 205 00	-	49
						50
						51
	TOTAL INTER-COMPANY ACCOUNTS		7 866 69	83 325 97	2 443 21	52
	DEFERRED CREDITS					53
160	Contingent Earnings Pending Rate Decision	21	-	-	-	54
79	Less: Income Tax on Contingent Earnings	21	-	-	-	55
	Net Contingent Earnings		-	-	-	56
161	Customers Advances for Construction	21	-	-	-	57
162	Unclaimed Customers' Deposits Including Interest	21	-	-	-	58
163	Other Deferred Credits	21B	533 66	337 14	3 816 62	59
						60
						61
						62
	TOTAL DEFERRED CREDITS		533 66	337 14	3 816 62	63

(A)

(B)

(C)

5305

COLUMBIA SYSTEM

15317 INCOME STATEMENT 3

Exhibit 163

MICHIGAN GAS TRANSMISSION CORPORATION

Month of December 1941

	Detail on Page	Amount	Percent of Gross		Increase Over Previous Year		
			This Year	Previous Year	Amount	Percent	
MONTH OF December 1941							
GROSS REVENUES							
Gas	4A	558 380 20	100.0	100.0	117 179 24	26.6	
Electric	5A	-	-	-	-	-	
Railway and Bus	6	-	-	-	-	-	
Water and Heating	8A	-	-	-	-	-	
Non-Utility	9	-	-	-	-	-	
TOTAL REVENUES							
		558 380 20	100 0	100 0	117 179 24	26.6	
OPERATING EXPENSES							
Operation	x x	342 379 99	61.3	52.4	111 136 42	48.1	
Maintenance	x x	4 930 95	.9	1.0	374 22	8.2	
Provision for Retirements and Depletion	x x	38 774 66	6.9	7.0	7 741 37	24.9	
Taxes	24	60 173 88	10.8	12.2	6 587 13	12.3	
TOTAL EXPENSES							
		446 259 46	79.9	72.6	125 839 14	39.3	
NET OPERATING REVENUE							
		112 120 74	20.1	27.4	8 659 90	7.2	
OTHER INCOME							
16		-	-	-	-	-	
GROSS CORPORATE INCOME							
		112 120 74	20.1	27.4	8 659 90	7.2	
OTHER DEDUCTIONS							
17		42 824 69	7.7	9.7	299 11	.7	
LESS: Interest Charged to Construction - Credit							
17		4 162 47	.7	6.4	23 957 18	85.2	
NET INCOME							
		73 458 52	13.1	24.1	32 916 19	30.9	
MONTHS ENDED							
GROSS REVENUES							
Gas	4B						
Electric	5B						
Railway and Bus	6						
Water and Heating	8B						
Non-Utility	9						
TOTAL REVENUES							
			100 0	100 0			
OPERATING EXPENSES							
Operation	x x						
Maintenance	x x						
Provision for Retirements and Depletion	x x						
Taxes	24						
TOTAL EXPENSES							
NET OPERATING REVENUE							
OTHER INCOME							
16							
GROSS CORPORATE INCOME							
OTHER DEDUCTIONS							
17							
LESS: Interest Charged to Construction - Credit							
17							
NET INCOME							
12 MONTHS ENDED December 31, 1941							
GROSS REVENUES							
Gas	4C	5 527 664 76	100.0	100.0	915 764 41	19.9	
Electric	5C	-	-	-	-	-	
Railway and Bus	6	-	-	-	-	-	
Water and Heating	8C	-	-	-	-	-	
Non-Utility	9	130 00	-	-	130 00	-	
TOTAL REVENUES							
		5 527 794 76	100 0	100 0	915 894 41	19.9	
OPERATING EXPENSES							
Operation	x x	3 614 865 37	65.4	62.0	755 743 41	26.4	
Maintenance	x x	52 159 96	.9	1.2	3 146 56	5.7	
Provision for Retirements and Depletion	x x	366 785 40	6.6	6.3	74 018 52	25.3	
Taxes	24	472 492 26	8.6	10.7	20 248 96	4.1	
TOTAL EXPENSES							
		4 506 302 99	81.5	80.2	854 322 15	-	
NET OPERATING REVENUE							

OPERATING EXPENSES							31
Operation	x x						32
Maintenance	x x						33
Provision for Retirements and Depletion	x x						34
Taxes	24						35
TOTAL EXPENSES							36
NET OPERATING REVENUE							37
OTHER INCOME	16						38
GROSS CORPORATE INCOME							39
OTHER DEDUCTIONS	17						40
LESS: Interest Charged to Construction - Credit	17						41
NET INCOME							42
12 MONTHS ENDED December 31, 1941							
GROSS REVENUES							44
Gas	47B	5 527 664 76	100.0	100.0	915 764 41	19.9	45
Electric	5C	-	-	-	-	-	46
Railway and Bus	6	-	-	-	-	-	47
Water and Heating	8C	-	-	-	-	-	48
Non-Utility	9	130 00	-	-	130 00	-	49
TOTAL REVENUES		5 527 794 76	100.0	100.0	915 894 41	19.9	51
OPERATING EXPENSES							52
Operation	x x	3 614 865 37	65.4	62.0	755 743 41	26.4	53
Maintenance	x x	52 159 96	.9	1.2	3 146 56	5.7	54
Provision for Retirements and Depletion	x x	366 785 40	6.6	6.3	74 018 52	25.3	55
Taxes	24	472 492 26	8.6	10.7	20 248 96	4.1	56
TOTAL EXPENSES		4 506 302 99	81.5	80.2	806 366 41	21.8	57
NET OPERATING REVENUE		1 021 491 77	18.5	19.8	109 528 00	12.0	58
OTHER INCOME	16	227 42	-	-	227 42	-	59
GROSS CORPORATE INCOME		1 021 719 19	18.5	19.8	109 755 42	12.0	60
OTHER DEDUCTIONS	17	515 999 04	9.4	9.5	76 596 23	17.4	61
LESS: Interest Charged to Construction - Credit	17	4 178 67	.1	.6	23 940 98	85.1	62
NET INCOME		509 898 82	9.2	10.9	9 218 21	1.8	63

(A)

(B)

(C)

(D)

(E)

5305

Exhibit 163

MICHIGAN GAS TRANSMISSION CORPORATION

1 Months Ended December 31, 1941

Acct. No.	Detail on Page	Amount	Percent of Gross	Cents Per MCF †	Increase Over Previous Year			
					Amount	Percent	Cents Per MCF †	
	GROSS REVENUE - GAS							1
1200	Residential	-	-	-	-	-	-	2
1201	Commercial	-	-	-	-	-	-	3
1202	Municipal & Other Public	-	-	-	-	-	-	4
1203	Industrial	-	-	-	-	-	-	5
1204	Other Public Utilities	357 147 18	64.0	28.72	100 096 88	38.9	1.99	6
1205	Other Sales	-	-	-	-	-	-	7
	TOTAL	357 147 18	64.0	28.72	100 096 88	38.9	1.99	8
1208	Inter-Company Sales - This Group	-	-	-	-	-	-	9
1209	Other Groups	27 259 87	4.9	24.80	4 726 45	14.8	.47	10
	TOTAL SALES - INTER-COMPANY	27 259 87	4.9	24.80	4 726 45	14.8	.47	11
	TOTAL REVENUE - GAS	384 407 05	68.9	28.40	95 370 43	33.0	1.75	12
	Other Gas Department Revenues	173 973 15	31.1	6.16	21 808 81	14.3	.50	13
	TOTAL REVENUE	558 380 20	100.0	-	117 179 24	26.6	-	14
	OPERATING EXPENSES							15
	Gas Purchased - Inter-Co - This Group	-	-	-	-	-	-	16
	Other Groups	-	-	-	-	-	-	17
	TOTAL PURCHASED - INTER-CO	-	-	-	-	-	-	18
	Gas Purchased - Others	326 466 82	58.5	21.83	91 179 71	38.8	1.90	19
	Interchange of Gas - Net	-	-	-	-	-	-	20
	Gas In or Out of Storage - Net	-	-	-	-	-	-	21
	Purchased Gas Expense - Operation	42 28	-	-	7 77	22.5	-	22
	Maintenance	-	-	-	-	-	-	23
	Productions Operation	-	-	-	-	-	-	24
	Maintenance	-	-	-	-	-	-	25
	Transmission - Operation	27 309 34	6.7	.89	9 550 20	34.4	.15	26
	Maintenance	4 911 02	.9	.12	361 37	7.9	-	27
	Distribution - Operation	-	-	-	-	-	-	28
	Maintenance	-	-	-	-	-	-	29
	Customers' Acc't'g & Collecting	-	-	-	-	-	-	30
	Sales Promotion	1 395 56	.2	.03	1 388 63	-	.03	31
	Administrative & General - Operation	5 698 70	1.0	.14	11 243 82	202.8	.29	32
	Maintenance	19 93	-	-	12 85	181.5	-	33
	Misc. Duplicate Charges - Credit	17 134 31	3.1	.41	20 253 93	54.2	.58	34
	TOTAL OPERATION & MAINTENANCE	347 310 94	62.2	25.66	111 510 64	47.3	3.92	35
	% of Gross Prev. Year							36
	Total Operation	342 379 99	61.3	25.30	111 136 42	48.1	3.98	37
	Total Maintenance	4 930 95	.9	.12	374 22	8.2	-	38
	Prov. for Retirements & Depletion	38 774 66	6.9	.93	7 741 37	24.9	.71	39
	Taxes - Federal	27 02	10.5	1.38	8 369 71	17.0	.08	40
	Taxes - State and Other	2 616 34	.5	.06	1 782 38	40.5	.06	41
	TOTAL EXPENSES	446 259 46	79.9	32.97	125 839 14	39.3	3.43	42
	NET OPERATING REVENUE - GAS	112 120 74	20.1	2.68	8 659 90	7.2	.52	43
	STATISTICS							44
	MCF - Sales to Public and Other Utilities	1 243 425	28.8	x x x	285 268	29.8	x x x	45
	Sales Inter-Company - This Group	-	-	x x x	-	-	x x x	46
	Other Groups	109 910	2.5	x x x	16 689	13.2	x x x	47
	Total All Sales	1 353 335	31.3	x x x	268 579	24.8	x x x	48
	Company Use - Elec. Gen. Stations	-	-	x x x	-	-	x x x	49
	Other Company Use	51 493	1.2	x x x	13 952	37.2	x x x	50
	Other Miscellaneous - P.E.P.L.Co. & Ky.	2 823 027	65.4	x x x	132 427	4.9	x x x	51
	TOTAL DELIVERIES	1 727 855	97.9	x x x	414 958	10.9	x x x	52

TOTAL OPERATION & MAINTENANCE			347 310 94	62.2	25.66	111 510 64	47.3	3.92	36
	% of Gross Prev. Year								37
Total Operation	52.4	31	342 379 99	61.3	25.30	111 136 42	48.1	3.98	38
Total Maintenance	1.0	31	4 930 95	.9	.12	374 22	8.2	-	39
Prov. for Retirements & Depletion	7.0	31	38 774 66	6.9	.93	7 741 37	24.9	.11	40
Taxes - Federal	11.2	31	57 557 02	10.3	1.38	8 369 71	17.0	.08	41
Taxes - State and Other	1.0	31	2 616 34	.5	.06	1 782 58	40.5	.06	42
TOTAL EXPENSES	72.6	31	446 259 46	79.9	32.97	125 839 14	39.3	3.43	43
NET OPERATING REVENUE - GAS	27.4		112 120 74	20.1	2.68	8 659 90	7.2	.52	44

STATISTICS

MCF Sales to Public and Other Utilities	51	1 243 425	28.8	x x x	285 268	29.8	x x x	45
Sales Inter. Company - This Group	51	-	-	x x x	-	-	x x x	46
Other Groups	51	109 910	2.5	x x x	16 689	13.2	x x x	47
Total All Sales	51	1 353 335	31.3	x x x	268 579	24.8	x x x	48
Company Use, Elec. Gen. Stations	51	-	-	x x x	-	-	x x x	49
Other Company Use	51	51 493	1.2	x x x	13 952	37.2	x x x	50
Other Miscellaneous P.E.P.L.Co. & Ky.	51	2 823 027	65.4	x x x	132 427	4.9	x x x	51
TOTAL DELIVERIES	51	4 227 855	97.9	x x x	414 958	10.9	x x x	52
MCF Purchased - Inter. Co. - This Group	51	-	-	x x x	-	-	x x x	53
Other Groups	51	-	-	x x x	-	-	x x x	54
Purchased - Others	51	1 495 454	34.6	x x x	315 112	26.7	x x x	55
Produced	51	-	-	x x x	-	-	x x x	56
Interchanged - Net	51	-	-	x x x	-	-	x x x	57
In or Out of Storage Net Rec. for P.E.P.L.	51	2 644 188	61.2	x x x	195 320	8.0	x x x	58
Received for Kentucky	51	178 839	4.2	x x x	62 893	26.0	x x x	59
TOTAL GAS AVAILABLE FOR DELIVERIES	51	4 318 481	100.0	x x x	447 539	11.6	x x x	60
UNACCOUNTED FOR - [ESTIMATED]	51	90 626	2.1	x x x	32 581	56.1	x x x	61

* Two Places Beyond Decimal Point
 Figures in Black

(A)

(B)

(C)

(D)

(E)

(F)

5307

Exhibit 163

MICHIGAN GAS TRANSMISSION CORPORATION

12 Months Ended December 31, 1941

Acct. No.	Detail on Page	Amount	Percent of Gross	Cents Per MCF †	Increase Over Previous Year			
					Amount	Percent	Cents Per MCF †	
								1
	GROSS REVENUE - GAS							
1200	Residential	-	-	-	-	-	-	2
1201	Commercial	-	-	-	-	-	-	3
1202	Municipal & Other Public	-	-	-	-	-	-	4
1203	Industrial	-	-	-	-	-	-	5
1204	Other Public Utilities	3 576 343 78	64.7	27.21	758 990 75	26.9	.69	6
1205	Other Sales	-	-	-	-	-	-	7
								8
	TOTAL	3 576 343 78	64.7	27.21	758 990 75	26.9	.69	9
1208	Inter-Company Sales - This Group	-	-	-	-	-	-	10
1209	Other Groups	322 819 43	5.8	24.60	16 178 77	4.8	2.14	11
	TOTAL SALES - INTER-COMPANY	322 819 43	5.8	24.60	16 178 77	4.8	2.14	12
	TOTAL REVENUE - GAS	3 899 163 21	70.5	26.97	742 811 98	23.5	.80	13
	Other Gas Department Revenues	1 628 501 55	29.5	6.16	172 952 43	11.9	.23	14
	TOTAL REVENUE	5 527 664 76	100.0	-	915 764 41	19.9	-	15
	OPERATING EXPENSES							16
	Gas Purchased - Inter-Co - This Group	-	-	-	-	-	-	17
	Other Groups	-	-	-	-	-	-	18
	TOTAL PURCHASED - INTER-CO	-	-	-	-	-	-	19
	Gas Purchased - Others	3 249 178 39	58.8	20.85	653 350 75	25.2	.23	20
	Interchange of Gas - Net	-	-	-	-	-	-	21
	Gas In or Out of Storage - Net	-	-	-	-	-	-	22
	Purchased Gas Expense - Operation	515 49	-	-	63 24	10.9	-	23
	Maintenance	-	-	-	-	-	-	24
	Production - Operation	-	-	-	-	-	-	25
	Maintenance	-	-	-	-	-	-	26
	Transmission - Operation	341 250 11	6.2	.83	66 760 70	24.3	.07	27
	Maintenance	52 073 58	.9	.13	2 827 33	5.1	.02	28
	Distribution - Operation	-	-	-	-	-	-	29
	Maintenance	-	-	-	-	-	-	30
	Customers Acc't'g & Collecting	-	-	-	-	-	-	31
	Sales Promotion	8 069 93	.1	.02	4 050 22	100.8	.01	32
	Administrative & General - Operation	124 948 78	2.3	.31	15 962 41	14.6	.01	33
	Maintenance	86 38	-	-	319 23	78.7	-	34
	Misc. Duplicate Charges - Credit	109 097 33	2.0	.27	15 682 57	12.6	.08	35
	TOTAL OPERATION & MAINTENANCE	3 667 025 33	66.3	25.36	752 596 85	25.8	.28	36
								37
	Total Operation	3 614 865 37	65.4	25.00	755 743 41	26.4	.16	38
	Total Maintenance	52 159 96	.9	.13	3 146 56	5.7	.02	39
	Prov. for Retirements & Depletion	366 785 40	6.6	.90	74 018 52	25.3	.08	40
	Taxes - Federal	329 837 20	6.0	.81	25 552 40	7.2	.18	41
	Taxes - State and Other	142 655 06	2.6	.35	5 303 44	3.9	.03	42
	TOTAL EXPENSES	4 506 302 99	81.5	31.17	806 366 41	21.8	1.39	43
	NET OPERATING REVENUE - GAS	1 021 361 77	18.5	2.50	109 398 00	12.0	.04	44
								45
								46
	STATISTICS							
	MCF - Sales to Public and Other Utilities	13 145 792	31.3	x x x	3 048 816	30.2	x x x	47
	Sales Inter-Company - This Group	-	-	x x x	-	-	x x x	48
	Other Groups	1 312 221	3.1	x x x	44 268	3.5	x x x	49
	Total All Sales	14 458 013	34.4	x x x	3 093 084	27.2	x x x	50
	Company Use, Elec. Gen. Stations	-	-	x x x	-	-	x x x	51
	Other Company Use	423 552	1.0	x x x	32 871	8.4	x x x	52
	Other Miscellaneous - P.E.P.L.Co. Ky.	26 422 715	62.9	x x x	1 878 669	7.7	x x x	53
	TOTAL DELIVERIES	41 304 280	98.3	x x x	5 004 624	13.8	x x x	54

TOTAL OPERATION & MAINTENANCE			3 667 025 33	66.3	25.36	752 596 85	25.8	.28	.36
	% of Gross Prev. Year								
Total Operation	62.0	31	3 614 865 37	65.4	25.00	755 743 41	26.4	.16	.38
Total Maintenance	1.2	31	52 159 96	.9	.33	3 146 56	5.7	.02	.39
Prov. for Retirements & Depletion	6.3	31	366 785 40	6.6	.90	74 018 52	25.3	.08	.40
Taxes* Federal	7.7	31	329 837 20	6.0	.81	25 552 40	7.2	.18	.41
Taxes* State and Other	3.0	31	142 655 06	2.6	.35	5 303 44	3.9	.03	.42
TOTAL EXPENSES	80.2	31	4 506 302 99	81.5	31.17	806 366 41	21.8	1.39	.43
NET OPERATING REVENUE - GAS	19.8		1 021 361 77	18.5	2.50	109 398 00	12.0	.04	.44
STATISTICS									
MCF - Sales to Public and Other Utilities		51	13 145 792	31.3	x x x	3 048 816	30.2	x x x	.47
" Sales Inter-Company - This Group		51	-	-	x x x	-	-	x x x	.48
" " " Other Groups		51	1 312 221	3.1	x x x	44 268	3.5	x x x	.49
" Total All Sales		51	14 458 013	34.4	x x x	3 093 084	27.2	x x x	.50
" Company Use, Elec. Gen. Stations		51	-	-	x x x	-	-	x x x	.51
" Other Company Use		51	423 552	1.0	x x x	32 871	8.4	x x x	.52
" Other Miscellaneous - P.E.P.L.Co. Ky.		51	26 422 715	62.9	x x x	1 878 669	7.7	x x x	.53
TOTAL DELIVERIES		51	41 304 280	98.3	x x x	5 004 624	13.8	x x x	.54
MCF Purchased - Inter-Co. - This Group		51	-	-	x x x	-	-	x x x	.55
" " " Other Groups		51	-	-	x x x	-	-	x x x	.56
" Purchased - Others		51	15 580 331	37.1	x x x	3 268 734	26.6	x x x	.57
" Produced		51	-	-	x x x	-	-	x x x	.58
" Interchanged - Net		51	-	-	x x x	-	-	x x x	.59
" In or Out of Storage - Net Rec. for P.E.P.L.		51	24 420 803	58.1	x x x	1 988 837	8.9	x x x	.60
" Received for Kentucky		51	2 001 912	4.8	x x x	110 168	5.2	x x x	.61
TOTAL GAS AVAILABLE FOR DELIVERIES		51	42 003 046	100.0	x x x	5 147 403	14.0	x x x	.62
UNACCOUNTED FOR - [ESTIMATED]*		51	698 766	1.7	x x x	142 779	25.7	x x x	.63

* Two Places Beyond Decimal Point

* Lower in Black

(A)

(B)

(C)

(D)

(E)

(F)

5309

COLUMBIA SYSTEM

15320
NON-UTILITY

9

Exhibit 163

MICHIGAN GAS TRANSMISSION CORPORATION

Month of December 1941

	Detail on Page	Amount	Increase Over Previous Year		
			Amount	Percent	
MONTH OF December 1941					1
GROSS REVENUE - NON-UTILITY					3
Gasoline	10A				4
Appliance	11A				5
Farm	12				6
Shop and Jobbing	12				7
Miscellaneous	12				8
Garage	13				9
					10
					11
TOTAL REVENUE - NON-UTILITY					12
OPERATING EXPENSES					13
Operation					14
Maintenance					15
Provision for Retirements					16
Taxes - Federal					17
Taxes - State and Other					18
					19
TOTAL EXPENSES					20
NET REVENUE - NON-UTILITY					21
					22
MONTHS ENDED					23
GROSS REVENUE - NON-UTILITY					24
Gasoline	10B				25
Appliance	11B				26
Farm	12				27
Shop and Jobbing	12				28
Miscellaneous	12				29
Garage	13				30
					31
					32
TOTAL REVENUE - NON-UTILITY					33
OPERATING EXPENSES					34
Operation					35
Maintenance					36
Provision for Retirements					37
Taxes - Federal					38
Taxes - State and Other					39
					40
TOTAL EXPENSES					41
NET REVENUE - NON-UTILITY					42
					43
12 MONTHS ENDED December 1941					44
GROSS REVENUE - NON-UTILITY					45
Gasoline	10C				46
Appliance	11C				47
Farm	12				48
Shop and Jobbing	12				49
Miscellaneous	12	130 00		130 00	50
Garage	13				51
					52
					53

						32
TOTAL REVENUE - NON-UTILITY						33
OPERATING EXPENSES						34
Operation						35
Maintenance						36
Provision for Retirements						37
Taxes - Federal						38
Taxes - State and Other						39
						40
TOTAL EXPENSES						41
NET REVENUE - NON-UTILITY						42
12 MONTHS ENDED December 1941						43
GROSS REVENUE - NON-UTILITY						44
Gasoline	10C	-	-	-	-	45
Appliance	11C	-	-	-	-	46
Farm	12	-	-	-	-	47
Shop and Jobbing	12	-	-	-	-	48
Miscellaneous	12	130 00		130 00	-	49
Garage	13	-		-	-	50
						51
						52
						53
TOTAL REVENUE - NON-UTILITY		130 00		130 00	-	54
OPERATING EXPENSES						55
Operation						56
Maintenance						57
Provision for Retirements						58
Taxes - Federal						59
Taxes - State and Other						60
						61
TOTAL EXPENSES		-		-	-	62
NET REVENUE - NON-UTILITY		130 00		130 00	-	63

(A)

(B)

(C)

(D)

5311

MICHIGAN GAS TRANSMISSION CORPORATION

Exhibit 163

Month of December 1941

App't No.	Detail on Page	Amount	Increase Over, Previous Year		
			Amount	Percent	
MONTH OF December 1941					1
					2
INTEREST					3
1971	Inter-Company - This Group				4
1972	Inter-Company - Other Groups				5
1973	Others				6
TOTAL INTEREST					7
DIVIDENDS					8
1976	Inter-Company - This Group				9
1977	Inter-Company - Other Groups				10
1978	Others				11
					12
TOTAL DIVIDENDS					13
MISCELLANEOUS					14
1981	Revenues from Sinking & Other Funds				15
1982	Earned Carrying Charges				16
1983	Other				17
					18
TOTAL MISCELLANEOUS					19
					20
TOTAL OTHER INCOME					21
					22
MONTHS ENDED					23
INTEREST					24
1971	Inter-Company - This Group				25
1972	Inter-Company - Other Groups				26
1973	Others				27
TOTAL INTEREST					28
DIVIDENDS					29
1976	Inter-Company - This Group				30
1977	Inter-Company - Other Groups				31
1978	Others				32
					33
TOTAL DIVIDENDS					34
MISCELLANEOUS					35
1981	Revenues from Sinking & Other Funds				36
1982	Earned Carrying Charges				37
1983	Other				38
					39
TOTAL MISCELLANEOUS					40
					41
TOTAL OTHER INCOME					42
					43
12 MONTHS ENDED December 31, 1941					44
INTEREST					45
1971	Inter-Company - This Group		-	-	46
1972	Inter-Company - Other Groups		-	-	47
1973	Others		227 42	227 42	48
TOTAL INTEREST					49
DIVIDENDS					50
1976	Inter-Company - This Group				51
1977	Inter-Company - Other Groups				52
1978	Others				53
					54

						33
	TOTAL DIVIDENDS					34
	MISCELLANEOUS					35
1981	Revenues from Sinking & Other Funds					36
1982	Earned Carrying Charges					37
1983	Other					38
						39
	TOTAL MISCELLANEOUS					40
						41
	TOTAL OTHER INCOME					42
12 MONTHS ENDED December 31, 1941						43
						44
	INTEREST					45
1971	Inter-Company - This Group	-		-	-	46
1972	Inter-Company - Other Groups	-		-	-	47
1973	Others	227 42		227 42	-	48
	TOTAL INTEREST	227 42		227 42	-	49
	DIVIDENDS					50
1976	Inter-Company - This Group					51
1977	Inter-Company - Other Groups					52
1978	Others					53
						54
	TOTAL DIVIDENDS	-		-	-	55
	MISCELLANEOUS					56
1981	Revenues from Sinking & Other Funds					57
1982	Earned Carrying Charges					58
1983	Other					59
						60
	TOTAL MISCELLANEOUS	-		-	-	61
						62
	TOTAL OTHER INCOME	227 42		227 42	-	63
		(A)	(B)	(C)	(D)	

5313

COLUMBIA SYSTEM
MICHIGAN GAS TRANSMISSION CORPORATION

15322 OTHER DEDUCTIONS 17

Exhibit 163

Month of December 1941

Acct No.	Detail on Page	Amount	Increase Over Previous Year	
			Amount	Percent
MONTH OF December 1941				
INTEREST				
9571	Bonds	-	-	-
9572	Miscellaneous Long Term Debt	-	-	-
9573	Inter-Co. Notes & Loans - This Group	-	-	-
9574	Other Groups	24A 41 602 50	33 34	.1
9575	Other - Customers Deposits, Etc.	1 222 19	265 77	27.8
TOTAL INTEREST				
		42 824 69	299 11	.7
9580	AMORTIZATION DEBT DISCOUNT AND EXPENSE	-	-	-
TOTAL FIXED CHARGES				
		42 824 69	299 11	.7
9583	Miscellaneous Deductions	-	-	-
9585	Preferred Dividends Accrued or Guaranteed	-	-	-
9586	Rent for Lease of Utility Plant	-	-	-
TOTAL OTHER DEDUCTIONS				
		42 824 69	299 11	.7
9587	LESS Interest Charged to Construction - Credit	4 162 47	23 957 18	85.2
NET DEDUCTIONS FROM INCOME				
		38 662 22	24 256 29	168.4
MONTHS ENDED				
INTEREST				
9571	Bonds	-	-	-
9572	Miscellaneous Long Term Debt	-	-	-
9573	Inter-Co. Notes & Loans - This Group	-	-	-
9574	Other Groups	-	-	-
9575	Other - Customers Deposits, Etc.	-	-	-
TOTAL INTEREST				
		-	-	-
9580	AMORTIZATION DEBT DISCOUNT AND EXPENSE	-	-	-
TOTAL FIXED CHARGES				
		-	-	-
9583	Miscellaneous Deductions	-	-	-
9585	Preferred Dividends Accrued or Guaranteed	-	-	-
9586	Rent for Lease of Utility Plant	-	-	-
TOTAL OTHER DEDUCTIONS				
		-	-	-
9587	LESS Interest Charged to Construction - Credit	-	-	-
NET DEDUCTIONS FROM INCOME				
		-	-	-
12 MONTHS ENDED December 31, 1941				
INTEREST				
9571	Bonds	-	-	-
9572	Miscellaneous Long Term Debt	-	-	-
9573	Inter-Co. Notes & Loans - This Group	-	-	-
9574	Other Groups	24A 503 230 00	69 241 65	16.0
9575	Other - Customers Deposits, Etc.	12 769 04	7 354 58	135.8

									31
	TOTAL INTEREST								32
9580	AMORTIZATION - DEBT DISCOUNT AND EXPENSE								33
	TOTAL FIXED CHARGES								34
9583	Miscellaneous Deductions								35
9585	Preferred Dividends Accrued or Guaranteed								36
9586	Rent for Lease of Utility Plant								37
									38
	TOTAL OTHER DEDUCTIONS								39
9587	LESS: Interest Charged to Construction - Credit								40
									41
	NET DEDUCTIONS FROM INCOME								42
12 MONTHS ENDED December 31, 1941									43
									44
	INTEREST								45
9571	Bonds		-			-		-	46
9572	Miscellaneous Long Term Debt		-			-		-	47
9573	Inter-Co. Notes & Loans - This Group		-			-		-	48
9574	" " " " " " Other Groups	24A	503 230 00			69 241 65		16.0	49
9575	Other - Customers Deposits, Etc		12 769 04			7 354 58		135.8	50
									51
									52
	TOTAL INTEREST		515 999 04			76 596 23		17.4	53
9580	AMORTIZATION - DEBT DISCOUNT AND EXPENSE		-			-		-	54
	TOTAL FIXED CHARGES		515 999 04			76 596 23		17.4	55
9583	Miscellaneous Deductions		-			-		-	56
9585	Preferred Dividends Accrued or Guaranteed		-			-		-	57
9586	Rent for Lease of Utility Plant		-			-		-	58
									59
	TOTAL OTHER DEDUCTIONS		515 999 04			76 596 23		17.4	60
9587	LESS: Interest Charged to Construction - Credit		4 178 67			23 920 98		85.1	61
									62
	NET DEDUCTIONS FROM INCOME		511 820 37			100 537 21		24.4	63

(A)

(B)

(C)

(D)

5315

MICHIGAN GAS TRANSMISSION CORPORATION

15323 SURPLUS 18

Exhibit 163

12 Months Ended December 31, 1941

Detail
on Page

EARNED SURPLUS SINCE DECEMBER 31, 1937

BALANCE - JANUARY 1, 1941	XXXXXXX	143 332 89
CREDITS:		
Net Income 12 Months Ended Dec. 31 1941 As Shown by Income Statement	509 898 82	
Profit from Sale of Investments +	-	
Other Credits +	-	
		509 898 82
TOTAL	XXXXXXXXX	653 231 71
DEBITS:		
Deficit 12 Months Ended Dec. 31 1941 As Shown by Income Statement	-	
Dividend Appropriations - Preferred Stock - Cum. 6% Series A - C. G. & E. Corp.	-	
Dividend Appropriations - Preferred Stock - Cum. 5% Series - C. G. & E. Corp.	-	
Dividend Appropriations - Preference Stock - 5% Cum. - C. G. & E. Corp.	-	
Dividend Appropriations -	-	
Dividend Appropriations - Common Stock +	521 150 58	
Loss from Sale of Investments +		
Investments Written Down or Written Off +		
Surplus Appropriated to Reserves +		
Other Debits +		
TOTAL DEBITS	XXXXXXXXX	521 150 58
BALANCE - December 31, 1941	XXXXXXXXX	132 081 13
+ Show Detail:		
<u>Dividend Appropriations - Common Stock</u>		
Dividend of \$2.50 per share on 44,800 shares of Common Stock declared on March 5th, paid on March 14th, to stockholders of record on March 7th, 1941.	112 000 00	
Proportion of dividend of \$3.00 per share on 44,800 shares of Common Stock declared on June 19th, paid on June 24th, to stockholders of record on June 20th, 1941.	229 950 58	
Dividend of \$2.00 per share on 44,800 shares of Common Stock declared on September 10th, paid on September 16th, to stockholders of record on September 12th, 1941.	89 600 00	
Dividend of \$2.00 per share on 44,800 shares of Common Stock declared on December 3rd, paid on December 15th, to stockholders of record on December 10, 1941.	89 600 00	

Exhibit 163

MICHIGAN GAS TRANSMISSION CORPORATION

12 Months Ended December 31, 1941

			Detail on Page	
SPECIAL CAPITAL SURPLUS				
BALANCE - JANUARY 1, 1941		*****	139 500 00	
CREDITS				
DEBITS				
BALANCE - December 31, 1941		*****	139 500 00	
SURPLUS PRIOR TO JANUARY 1, 1938				
BALANCE - SURPLUS PRIOR TO JANUARY 1, 1938 AT JANUARY 1, 1941		*****	155 112 18	
CAPITAL SURPLUS PRIOR TO JANUARY 1, 1938				
AT DATE OF ACQUISITION BY C. G. & E. CORP.				
BALANCE - JANUARY 1, 1941		*****	26 662 75	
CREDITS				
DEBITS				
BALANCE - December 31, 1941		*****	26 662 75	
SINCE DATE OF ACQUISITION BY C. G. & E. CORP.				
BALANCE - JANUARY 1, 1941		*****	-	
CREDITS				
DEBITS				
BALANCE - December 31, 1941		*****	26 662 75	
BALANCE - CAPITAL SURPLUS PRIOR TO JANUARY 1, 1938		*****	26 662 75	
EARNED SURPLUS PRIOR TO JANUARY 1, 1938				
BALANCE - EARNED SURPLUS PRIOR TO JANUARY 1, 1938 AT JANUARY 1, 1941		*****	123 449 42	
AT DATE OF ACQUISITION BY C. G. & E. CORP.				
BALANCE - JANUARY 1, 1941		*****	-	
CREDITS				
DEBITS				
BALANCE - December 31, 1941		*****	-	
BALANCE - EARNED SURPLUS PRIOR TO JANUARY 1, 1938		*****	123 449 42	
SINCE DATE OF ACQUISITION BY C. G. & E. CORP.				
BALANCE - JANUARY 1, 1941		*****	-	
CREDITS				
DEBITS				
BALANCE - December 31, 1941		*****	-	
BALANCE - JANUARY 1, 1941		*****	123 449 42	
CREDITS				
DEBITS				
(Liquidating dividend in Columbia System)				
(Proportion of dividend of \$8.00 per share on Common Stock paid June 24, 1941)				
BALANCE - December 31, 1941		*****	1 552 26	
BALANCE - EARNED SURPLUS PRIOR TO JANUARY 1, 1938		*****	1 552 26	
BALANCE - SURPLUS PRIOR TO JANUARY 1, 1938		*****	28 215 02	
CAPITAL SURPLUS SINCE DECEMBER 31, 1937				
BALANCE - JANUARY 1, 1941		*****		
CREDITS				

BALANCE - December 31, 1941	XXXXXXXXXXXX	-	30
BALANCE - CAPITAL SURPLUS PRIOR TO JANUARY 1, 1938	XXXXXXXXXXXX	28 882 76	31
EARNED SURPLUS PRIOR TO JANUARY 1, 1938			32
BALANCE - EARNED SURPLUS PRIOR TO JANUARY 1, 1938 AT JANUARY 1, 19 41	XXXXXXXXXXXX	128 449 42	33
AT DATE OF ACQUISITION BY C. G. & E. CORP.			34
BALANCE - JANUARY 1, 19 41	XXXXXXXXXXXX	-	35
CREDITS:			36
			37
			38
DEBITS:			39
			40
			41
BALANCE - December 31, 1941	XXXXXXXXXXXX	-	42
SINCE DATE OF ACQUISITION BY C. G. & E. CORP.			43
BALANCE - JANUARY 1, 19 41	XXXXXXXXXXXX	128 449 42	44
CREDITS:			45
Protection Fund)	1 552 26		46
(Liquidating dividend in Columbia System			47
DEBITS:	128 449 42		48
(Proportion of dividend of \$8.00 per share on			49
Common Stock paid June 24, 1941)		126 897 16	50
BALANCE - December 31, 1941	XXXXXXXXXXXX	1 552 26	51
BALANCE - EARNED SURPLUS PRIOR TO JANUARY 1, 1938	XXXXXXXXXXXX	1 552 26	52
BALANCE - SURPLUS PRIOR TO JANUARY 1, 1938	XXXXXXXXXXXX	28 215 02	53
CAPITAL SURPLUS SINCE DECEMBER 31, 1937			54
BALANCE - JANUARY 1, 19 41	XXXXXXXXXXXX		55
CREDITS:			56
			57
			58
DEBITS:			59
			60
			61
			62
BALANCE - December 31, 1941	XXXXXXXXXXXX		63

(A)

(B)

5319

DESCRIPTION					
Current and Working Assets					1
Accounts Receivable - Other					2
Officers and Employees				1 733 54	3
Miscellaneous					4
For gas delivered during December 1941 for the account					5
of Panhandle Eastern Pipe Line Company					6
Central States Natural Gas Company, Inc.		326 00			7
Michigan Consolidated Gas Company - Ann Arbor		14 239 61			8
Michigan Consolidated Gas Company - Detroit		824 269 01			9
National Utilities Company of Michigan		9 206 45			10
The Ohio Gas, Light and Coke Company		7 189 95			11
Richmond Gas Corporation		6 964 63			12
Toledo Edison Company		1 095 81			13
Western Ohio Public Service Company		350 27	863 641 73		14
For gas transported during December 1941					15
Kentucky Natural Gas Corporation			1 000 00	864 641 73	16
Sundry Accounts				8 497 15	17
					18
Total, Page 1, Line 47				874 872 42	19
					20
Special Deposits and Funds					21
Miscellaneous					22
Utility Service Deposit					23
City of Bluffton				3 00	24
City of Detroit				10 00	25
					26
Total, Page 1A, Line 75				13 00	27
					28
Current and Accrued Liabilities					29
Other Current Liabilities					30
Contractors Retainage:					31
The Fluor Corporation, Ltd.			12 419 62		32
Midwest Engineering and Construction Company			250 00		33
The Weikel Construction Company			1 138 75	13 808 37	34
Deductions from Employees Earnings:					35
Federal Old Age Benefit Tax			704 23		36
Indiana Gross Income Tax			4 28	708 51	37
					38
Total, Page 2, Line 32				14 516 88	39
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15325

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DETAIL OF BALANCE SHEET ACCOUNTS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

DESCRIPTION				
Assets				
Accounts Receivable - Other Groups				
Columbus Group:				
Indiana Gas Distribution Corporation (Gas Sold)			27 037 80	
Indiana Gas Distribution Corporation (Other)			7 43	27 045 21
The Ohio Fuel Gas Company (Gas Sold)			222 07	
The Ohio Fuel Gas Company (Other)			506 23	726 30
Unassigned:				
Columbia Engineering Corporation-Columbia System Protection Fund				1 552 26
Total, Page 1A, Line 66				29 323 77
Liabilities				
Notes Payable - Other Groups				
Unassigned:				
Columbia Gas & Electric Corporation				
Note No.	Date			
2	8-1-37			5 210 500 00
3 R 1	8-10-37			200 000 00
4 R 2	9-1-37			190 000 00
5 R 3	10-1-37			170 000 00
6 R 4	11-1-37			100 000 00
7 R 5	12-1-37			30 000 00
Total, Page 2, Line 18				5 900 500 00
Loans Payable - Other Groups				
Unassigned:				
Columbia Gas & Electric Corporation				
Page 2, Line 20				2 420 000 00
Accounts Payable - Other Groups				
Columbus Group:				
Indiana Gas Distribution Corporation				5 40
The Ohio Fuel Gas Company				471 25
Pittsburgh Group:				
The Manufacturers Light and Heat Company				353 60
Unassigned:				
Columbia Engineering Corporation				7 036 44
Total, Page 2, Line 47.				7 866 69

DETAIL OF BALANCE SHEET ACCOUNTS

Inter-Company Accounts

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

15326

Exhibit 163

Acct. No.	Title of Account and Description	Total Amount Basis	Mos. to Run	Balance Beginning of Month	Changes During Month		Balance End of Month	
					Debits	Credits		
33	<u>Current and Working Assets</u>							
	<u>Supplies - General</u>							
	Material and Supplies			109 452 23				
	Purchases				10 171 87			
	Returns				2 026 05			
	Issues					6 819 49	114 840 66	
	Material Loans			90 24	-	-	90 24	
	Other			2 00	121 00	-	123 00	
	Total, Page 1, Line 53			109 544 47	12 328 92	6 819 49	115 053 90	
38	<u>Prepaid Accounts</u>							
	Insurance	Indefinite	Var.	5 308 96	167 71	554 49	4 922 18	
	Taxes	1 486 48	Var.	344 58	34 98	192 40	187 16	
	Rentals	2 303 50	Var.	1 132 27	77 00	160 48	1 048 79	
	Dues and Memberships	407 50	Var.	196 52	-	71 43	125 09	
	Other	370 45	Var.	93 02	17 75	22 38	81 39	
	Total, Page 1, Line 58			7 075 35	297 44	1 008 18	6 364 61	
39	<u>Other Current & Accrued Assets</u>							
	Deferred Accounts Receivable							
	Panhandle Eastern Pipe Line Company for proportionate share of liability to Michigan Consolidated Gas Company - Ann Arbor for househeating customers	124 customers connected						
	Page 1, Line 59			497 24	-	-	497 24	
83	<u>Deferred Debits</u>							
	Preliminary Survey and Investigation Charges							
	Other Gas							
	Page 1A, Line 83			3 002 10	886 46	1 808 84	2 079 72	
84	<u>Other Deferred Debits</u>							
	Contractual Advance to Central Indiana Gas Company	14 000 00	Indef.	1 130 87	-	437 83	693 04	
	Contractual Advance to Kokomo Gas and Fuel Company	3 392 70	Indef.	2 109 10	-	117 86	1 991 24	
	Deferred Costs of Rate Case	Indefinite	54 Mo.	-	39 801 13	6 000 00	33 801 13	
	Total, Page 1A, Line 84			3 239 97	39 801 13	6 555 69	36 485 41	

DETAIL OF BALANCE SHEET ACCOUNTS

MICHIGAN GAS TRANSMISSION CORPORATION

Month of December 1941

15327A
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Title of Account and Description	Total Amount Basis	Mos. to Run	Balance Beginning of Month	Changes During Month		Balance End of Month	
				Debits	Credits		
Clearing and Contra Accounts							1
<u>Transportation Expense - Clearing</u>							2
Page 2A, Line 65	-	-	737 28	1 920 05	1 785 47	602 70	3
							4
<u>Retirement Work in Progress</u>							5
Page 2A, Line 75	-	-	2 132 78	6 364 39	4 303 31	71 70	6
							7
Current and Accrued Liabilities							8
<u>Accrued Taxes</u>							9
Capital Stock (1940-1941) Fed.	12 500 00	-	12 500 00	12 500 00	-	-	10
Capital Stock (1941-1942) Fed.	12 500 00	6	5 208 32	-	1 041 68	6 250 00	11
Franchise (1941) Delaware	175 00	-	160 41	-	14 59	175 00	12
Income (1940) Federal	186 785 43	-	46 696 35	46 696 35	-	-	13
Income (1941) Federal	268 384 85	-	218 913 59	-	49 471 26	268 384 85	14
Old Age Benefit (1941) Federal	1% of Payrolls	-	456 99	-	246 87	703 86	15
Property (1941) Indiana	114 000 00	-	111 833 32	-	2 166 68	114 000 00	16
Property (1941) Ohio	10 800 00	-	11 000 00	-	200 00	10 800 00	17
Property (1941) Michigan	12 687 44	-	12 009 30	11 863 42	145 88	-	18
Unemployment Ins. (1941) Fed.	.3% of Payrolls	-	734 22	-	74 06	808 28	19
Unemployment Ins. (1941) Ind.	2.7% of State Payrolls	-	890 17	-	490 62	1 380 79	20
Unemployment Ins. (1941) Mich.	3.0% of State Payrolls	-	348 90	-	228 47	577 37	21
							22
Total, Page 2, Line 33			420 751 57	71 059 77	53 388 35	403 080 15	23
							24
<u>Other Accrued Liabilities</u>							25
Accrued Insurance	Indefinite	Var.	1 073 18	-	276 96	1 350 14	26
Accrued Legal Fees	3 018 14	-	6 445 11	1 213 25	5 231 86	-	27
Liability to Michigan Consoli-							28
dated Gas Co.-Ann Arbor for							29
househeating customers	5.00 per customer	-	620 00	-	-	620 00	30
							31
Total, Page 2, Line 38			8 138 29	1 213 25	4 954 90	1 970 14	32
							33
Deferred Credits							34
<u>Other Deferred Credits</u>							35
Contractual Liability to							36
Panhandle Eastern Pipe Line							37
Company for its contribution							38
to amount advanced Central							39
Indiana Gas Company							40
Page 2, Line 59	10 760 00	Indef.	870 80	337 14	-	533 66	41
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PART OF BALANCE SHEET ACCOUNTS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

21

Exhibit 163

5829

Acct No.	Title of Account and Description	Total Amount Basis	Mos. to Run	Balance Beginning of Month	Changes During Month		Balance End of Month	
					Debits	Credits		
	Clearing and Contra Accounts							1
166	Other Clearing Accounts							2
	Special Equipment Expense- Clearing							3
	Page 2A, Line 66	-	-	240 27	63 62	78 00	254 65	4
								5
								6
								7
	Reserves							8
180	Retirement and Depletion							9
	Property, Plant and Equipment	3% of P.P.&E. Per Annum	-	1 651 366 95	4 070 60	38 774 66	1 686 071 01	10
	Transportation Equipment	Estimated Life	-	9 912 07	219 62	319 83	10 012 28	11
	Special Equipment	Estimated Life	-	1 787 65	-	23 09	1 810 74	12
								13
	Total, Page 2A, Line 74			1 663 066 67	4 290 22	39 117 58	1 697 894 03	14
								15
181	Injuries and Damages							16
	Page 2A, Line 77	12 000 00 per annum	-	18 196 96	980 10	1 000 00	18 216 86	17
								18
183	Contributions in Aid of Construction							19
	Page 2A, Line 79			9 342 96	-	10 00	9 352 96	20
								21
								22
185	Contingencies							23
	Taxes							24
	Page 2A, Line 81	Various	-	309 675 66	-	7 972 53	317 648 19	25
								26
186	Other Reserves							27
	Reserve for Audit Fees							28
	Page 2A, Line 82	1 200 00 per annum	-	1 100 00	-	100 00	1 200 00	29
								30
								31
								32
								33
								34
	Detail of Contingent Taxes Balance:							35
	Contingent Prior Years Taxes			244 438 14				36
	Interest on Prior Years Taxes			27 130 31				37
	Contingent 1941 Taxes			46 079 74				38
				317 648 19				39
								40
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15329

DETAIL OF BALANCE SHEET ACCOUNTS

(A) (B) (C) (D) (E) (F)

Month of December 1941

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

21

Exhibit 163

5331

Acc't No.	Description	Current Month	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
1209	Inter-Company Sales-Other Groups							1
	Columbus Group:							2
	Indiana Gas Distribution Corporation	27 037 80	4 561 02			320 181 22	15 540 48	3
	The Ohio Fuel Gas Company	222 57	165 43			2 638 21	638 29	4
	Total, Page 4, Line 11	27 259 87	4 726 45			322 819 43	16 178 77	5
9574	Interest Inter-Company - Other Groups							6
	Unassigned:							7
	Columbia Gas & Electric Corporation							8
	Page 17, Lines 7 and 49	41 602 50	33 36			503 230 00	69 241 65	9
								10
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DETAIL OF INCOME ACCOUNTS

Inter-Company Sales & Interest Expense

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

Exhibit 163

Acct No.	Description	Current Month	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
	Total Other Gas Department Revenue Brought Forward	169 599 57	18 349 28			1 607 029 11	160 246 70	1
	Total Miscellaneous Other Revenue Brought Forward	169 534 57	18 329 28			1 606 274 11	160 031 70	2
	Received from Toledo Edison Co.							3
	M.C.F.	3 356	790			31 557	13 014	4
	Rate	32.65¢	.43¢			31.48¢	.73¢	5
	Amount	1 095 81	268 92			9 933 52	4 232 15	6
	Paid to Panhandle E.P.L.Co.							7
	M.C.F.	3 356	790			31 557	13 014	8
	Rate	26.12¢	.29¢			25.32¢	.51¢	9
	Amount	876 49	213 65			7 989 71	3 387 97	10
	Net Revenue-Toledo Edison	212 32	55 27			1 944 21	844 18	11
	Received from National Utilities Company of Michigan							12
	M.C.F.	31 763	31 763			113 787	113 787	13
	Rate	28.98¢	28.98¢			29.70¢	29.70¢	14
	Amount	9 206 45	9 206 45			33 797 82	33 797 82	15
	Paid to Panhandle E.P.L.Co.							16
	M.C.F.	31 763	31 763			113 787	113 787	17
	Rate	23.45¢	23.45¢			24.01¢	24.01¢	18
	Amount	7 447 05	7 447 05			27 324 24	27 324 24	19
	Net Revenue-National Utilities	1 759 40	1 759 40			6 473 58	6 473 58	20
	Received from Western Ohio Public Service Co.							21
	M.C.F.	1 132	1 132			3 587	3 587	22
	Rate	30.94¢	30.94¢			32.55¢	32.55¢	23
	Amount	350 27	350 27			1 167 53	1 167 53	24
	Paid to Panhandle E.P.L.Co.							25
	M.C.F.	1 132	1 132			3 587	3 587	26
	Rate	24.62¢	24.62¢			26.05¢	26.05¢	27
	Amount	278 72	278 72			934 48	934 48	28
	Net Revenue-Western Ohio	71 55	71 55			233 05	233 05	29
	Total Miscellaneous Other Revenue Carried Forward	171 584 84	20 215 50			1 614 924 95	167 582 51	30
	Total Other Gas Department Revenue Carried Forward	171 649 84	20 235 50			1 615 679 95	167 797 51	31

DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

15332

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Exhibit 163

533

Description	Current Month	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
Total Other Gas Department Revenue Brought Forward	171 649 84	20 235 50			1 615 679 95	167 797 51	1
Total Miscellaneous Other Revenue Brought Forward	171 584 84	20 215 50			1 614 924 95	167 582 51	2
Received from Richmond Gas Corporation							3
M.C.F.	23 146	23 146			48 844	48 844	4
Rate	30.09¢	30.09¢			30.27¢	30.27¢	5
Amount	6 964 63	6 964 63			14 787 22	14 787 22	6
Paid to Panhandle E.P.L.Co.							7
M.C.F.	23 146	23 146			48 844	48 844	8
Rate	24.37¢	24.37¢			24.50¢	24.50¢	9
Amount	5 641 32	5 641 32			11 965 62	11 965 62	10
Net Revenue-Richmond Gas Corporation	1 323 31	1 323 31			2 821 60	2 821 60	11
Kentucky Natural Gas Corp.							12
M.C.F.	178 839	62 893			2 601 912	110 168	13
Rate	.56¢	.25¢			.50¢	.14¢	14
Amount	1 000 00	250 00			10 000 00	2 333 32	15
Total Miscellaneous Other Revenue	173 908 15	21 788 81			1 627 746 55	172 727 43	16
Total, Page 4, Line 14	173 973 15	21 808 81			1 628 501 55	172 952 43	17
							18
							19
							20
							21
							22
							23
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DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

15333

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Exhibit 163

Acct No.	Description	Current Month	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
2996	<u>Taxes - Federal</u>							1
	Income	21 608 72	808 94			222 707 99	32 009 57	2
	Excess Profits	34 612 88	10 090 36			91 756 60	56 140 22	3
	Capital Stock	1 041 68	975 00			12 150 00	2 200 00	4
	Old Age Benefit	225 95	46 69			2 478 92	575 58	5
	Unemployment Insurance	67 79	14 60			743 69	172 69	6
								7
	Total, Page 4, Line 41	57 557 02	2 369 71			329 837 20	25 552 40	8
2997	<u>Taxes - State and Other</u>							9
	Franchise Delaware	14 59	-			175 00	-	10
	Property Indiana	2 166 62	625 04			112 940 98	5 305 29	11
	Property Ohio	200 00	1 200 00			9 273 14	1 322 18	12
	Property Michigan	26 08	126 14			13 345 70	269 92	13
	Property Intangible Pers. Ohio	-	-			-	1 59	14
	Unemployment Ins. Indiana	433 87	97 67			4 546 26	1 175 99	15
	Unemployment Ins. Michigan	218 60	74 17			2 371 40	378 09	16
	Unemployment Ins. Billed by Affiliated Companies	9 18	3 24			102 56	37 76	17
								18
	Total, Page 4, Line 42	2 526 84	1 782 58			142 655 66	5 303 44	19
								20
	Total, Page 3, Lines 14 and 56	60 173 86	6 587 13			472 492 36	20 248 96	21
								22
								23
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DETAIL OF INCOME ACCOUNTS

(A)

(B)

(C)

(D)

(E)

(F)

Tax Expense

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

15334

COLUMBIA SYSTEM

MICHIGAN GAS TRANSMISSION CORPORATION

GAS EXPENSES ²⁵
15335Month of December 1941

12 Months To Date	Increase Over Previous Year	Acc't No.	GAS PURCHASED FOR RESALE	Current Month	Increase Over Previous Year	
						1
		2000	Natural Gas Purchased - This Group	-	-	2
		2001	" " " " Other Groups	-	-	3
3 249 178 39	653 350 75	2002	" " " " Others	326 466 82	91 179 71	4
		2003	Manufactured Gas Purchased - This Group	-	-	5
		2004	" " " " Other Groups	-	-	6
		2005	" " " " Others	-	-	7
		2010	Interchange of Gas - Net - This Group	-	-	8
		2011	" " " " Other Groups	-	-	9
		2012	" " " " Others	-	-	10
		2014	Gas Placed in Storage	-	-	11
		2015	Gas Withdrawn from Storage	-	-	12
3 249 178 39	653 350 75		- TOTAL	326 466 82	91 179 71	13
GAS PURCHASE EXPENSES						14
						15
OPERATION						16
396 75	8 62	2016	Purchase Expenses - Natural Gas - Labor	29 12	70	17
118 74	54 62	2017	" " " " M. & E.	13 16	8 47	18
		2018	" " " " Manufactured Gas - Labor	-	-	19
		2019	" " " " M. & E.	-	-	20
						21
						22
515 49	63 24		TOTAL OPERATION	42 28	7 77	23
MAINTENANCE						24
		2054	Struc. & Equip. - Natural Gas - Labor	-	-	25
		2055	" " " " M. & E.	-	-	26
		2062	" " " " Manufactured Gas - Labor	-	-	27
		2063	" " " " M. & E.	-	-	28
						29
						30
			TOTAL MAINTENANCE	-	-	31
515 49	63 24		TOTAL PURCHASE EXPENSES	42 28	7 77	32
GAS PURCHASED SUMMARY						33
						34
NATURAL GAS						35
3 249 178 39	653 350 75		Total Purchases	326 466 82	91 179 71	36
515 49	63 24		Total Purch. Exp. - Operation	42 28	7 77	37
			" " " " Maintenance	-	-	38
3 249 693 88	653 287 51		TOTAL	326 509 10	91 187 48	39
MANUFACTURED GAS						40
						41
						42
						43
						44
						45
						46
						47
3 249 693 88	653 287 51		TOTAL GAS PURCHASED EXPENSES	326 509 10	91 187 48	48
GAS PURCHASE STATISTICS						49
						50
15 580 331	3 268 734		Natural Gas Purchased - MCF	1 495 454	315 112	51
			Interchange of Gas - Net - MCF	-	-	52
			Natural Gas Stored - Cr. - MCF	-	-	53
			TOTAL	1 495 454	315 112	54

GAS PURCHASED SUMMARY					32
					33
					34
NATURAL GAS					35
3 249 178 39	653 350 75	Total Purchases	326 466 82	91 179 71	36
515 49	63 24	Total Purch. Exp. - Operation	42 28	7 77	37
-	-	" " " - Maintenance	-	-	38
3 249 693 88	653 287 51	TOTAL	326 509 10	91 187 48	39
MANUFACTURED GAS					40
Total Purchases					41
Total Purch. Exp. - Operation					42
" " " - Maintenance					43
TOTAL					44
Interchange of Gas - Net					45
Gas In & Out of Storage - Net					46
TOTAL					47
3 249 693 88	653 287 51	TOTAL GAS PURCHASED EXPENSES	326 509 10	91 187 48	48
GAS PURCHASE STATISTICS					49
					50
15 580 331	3 268 734	Natural Gas Purchased - MCF	1 495 454	315 112	51
-	-	Interchange of Gas - Net - MCF	-	-	52
-	-	Natural Gas Stored - Cr. - MCF	-	-	53
15 580 331	3 268 734	TOTAL	1 495 454	315 112	54
20.85	23	Average Cost Per MCF (Cents)	21.83	1.90	55
-	-	Manufactured Gas Purchased - MCF	-	-	56
-	-	Manufactured Gas Stored - Cr. - MCF	-	-	57
-	-	TOTAL	-	-	58
-	-	Average Cost Per MCF (Cents)	-	-	59
-	-	Gas Withdrawn from Storage - MCF	-	-	60
-	-	Average Cost Per MCF (Cents)	-	-	61
15 580 331	3 268 734	TOTAL GAS PURCHASED - MCF	1 495 454	315 112	62
20.85	23	AVG. COST PER MCF (Cents)	21.83	1.90	63

(A)

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5341

COLUMBIA SYSTEM

MICHIGAN GAS TRANSMISSION CORPORATION

15336
GAS EXPENSES 28

Month of December 1941

12 Months To Date	Increase Over Previous Year	Acc't No.	TRANSMISSION	Current Month	Increase Over Previous Year	
			OPERATION			1
21 517 01	9 984 64	2300	Supervision & Engineering - Labor	1 579 41	1 109 94	2
12 572 31	6 032 97	2301	" " " " M & E	995 74	100 51	3
1 200 00	-	2302	Load Dispatching - Labor	100 00	-	4
2 140 02	320 30	2303	" " " " M & E	395 71	266 02	5
4 616 89	2 851 80	2304	Transmission Maps and Records - Labor	524 25	174 15	6
1 890 30	1 414 33	2305	" " " " M & E	56 14	248 68	7
82 813 23	24 212 38	2306	Compressor Station - Labor	8 899 88	2 395 20	8
99 143 83	5 311 88	2307	" " " " Power	12 166 13	3 563 28	9
13 320 45	2 029 66	2309	" " " " M & E	1 608 31	515 27	10
37 902 17	3 861 29	2310	Measuring and Regulating Station - Labor	3 734 77	10 175 00	11
12 119 46	2 110 70	2311	" " " " M & E	1 310 47	2 266 25	12
38 719 43	7 406 23	2312	Transmission Lines - Labor	4 119 09	12 584 79	13
9 884 03	428 01	2313	" " " " M & E	1 250 49	2 842 25	14
-	-	2316	Other Transmission Expenses - Labor	-	-	15
-	-	2317	" " " " M & E	-	-	16
3 410 98	796 46	2323	Rents	267 98	66 56	17
						18
						19
						20
						21
						22
						23
						24
341 250 11	66 760 70		TOTAL OPERATION	37 308 34	9 550 20	25
			MAINTENANCE			26
7 776 23	3 164 53	2350	Supervision & Engineering - Labor	705 04	396 01	27
2 529 43	1 420 03	2351	" " " " M & E	217 68	30 07	28
2 369 63	1 699 83	2352	Compressor Station Struct & Imp'm'ts - Labor	166 76	141 12	29
1 848 62	1 554 91	2353	" " " " M & E	621 84	601 35	30
1 268 49	318 16	2354	Other Trans. System Struct & Imp'm'ts - Labor	50 30	15 28	31
659 56	15 70	2355	" " " " M & E	109 65	44 50	32
6 097 63	3 380 81	2356	Compressor Station Equipment - Labor	499 91	277 91	33
4 213 22	877 65	2357	" " " " M & E	421 89	335 20	34
13 756 66	5 668 56	2362	Transmission Lines - Labor	766 18	109 66	35
6 880 74	6 683 37	2363	" " " " M & E	1 113 63	910 33	36
1 342 15	773 71	2370	Measuring Station Equipment - Labor	120 61	1 327 28	37
1 326 17	378 01	2371	" " " " M & E	117 53	1 002 56	38
-	-	2376	Other Transmission Equipment - Labor	-	-	39
-	-	2377	" " " " M & E	-	-	40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
52 073 58	2 827 33		TOTAL MAINTENANCE	4 911 02	361 37	53
393 323 69	63 933 37		TOTAL TRANSMISSION EXPENSES	42 219 36	9 911 57	54
						55

Exhibit 163

COLUMBLA SYSTEm

15337
GAS EXPENSES 30

MICHIGAN GAS TRANSMISSION CORPORATION

Month of December 1941

12 Months To Date	Increase Over Previous Year	Acct No.	CUSTOMERS ACCOUNTING & COLLECTING	Current Month	Increase Over Previous Year	
						1
		2600	Supervision	Labor		2
		2601	"	M. & E.		3
		2602	Customers Contract & Orders	Labor		4
		2603	" " " "	M. & E.		5
		2604	Credit Investigation & Records	Labor		6
		2605	" " " "	M. & E.		7
		2606	Meter Reading	Labor		8
		2607	" " " "	M. & E.		9
		2608	Collecting	Labor		10
		2609	" " " "	M. & E.		11
		2610	Customers Billing & Acctg	Labor		12
		2611	" " " "	M. & E.		13
		2612	Delivering Bills	Labor		14
		2613	" " " "	M. & E.		15
		2614	Miscellaneous	Labor		16
		2615	" " " "	M. & E.		17
		2630	Uncollectible Accounts			18
		2633	Rents- Billing Equipment			19
		2634	" Other			20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
			TOTAL CUST. ACC'TG. & COLL. EXP.			37

TOTAL CUST. ACCTG. & COLL. EXP.

SALES PROMOTION

[illegible]

COLUMBIA SYSTEM
MICHIGAN GAS TRANSMISSION CORPORATION

15338
GAS EXPENSES 31

Month of December 1941

12 Months To Date	Increase Over Previous Year	Acct No	ADMINISTRATIVE & GENERAL	Current Month	Increase Over Previous Year	
			OPERATION			1
9 887 00	613 00	2800	General Officers Salaries	950 00	75 00	2
2 077 11	3 234 71	2801	General Officers Expenses	130 38	277 67	3
20 180 27	6 285 46	2804	General Office Employees Salaries	2 036 97	569 42	4
2 220 67	1 311 81	2805	General Office Employees Expenses	329 91	143 06	5
4 915 52	196 64	2807	General Office Supplies and Expenses	709 34	129 14	6
12 879 98	821 22	2809	Mgmt & Supervision Fees & Expenses	5 367 25	6 661 33	7
3 018 14	4 099 17	2810	Special Services - Legal	5 231 86	349 17	8
7 136 11	2 359 32	2811	Audit & Taxes	948 93	601 55	9
18 052 77	1 772 80	2814	Other	1 546 70	4 128 86	10
6 011 82	6 011 82	2815	Regulatory Commission Expenses	12 866 88	2 866 88	11
2 750 03	2 036 79	2817	Insurance	240 40	273 21	12
15 780 99	3 780 99	2819	Injuries and Damages	1 400 90	400 90	13
1 241 02	649 38	2821	Employees Welfare Exp - Ctp. Life Ins.	253 24	164 16	14
362 66	17 24	2823	Other	10 00	84 90	15
-	-	2824	Pensions	-	-	16
-	-	2825	Miscellaneous General Public Relations	-	-	17
8 885 57	4 855 74	2829	Other	1 079 60	977 46	18
-	-	2831	Franchise Requirements	-	-	19
-	-	2832	Rents - Accounting Equipment	-	-	20
4 372 38	191 64	2833	General Rents	490 20	69 74	21
5 176 74	3 656 62	2835	Stores Expenses	734 12	367 77	22
						23
						24
						25
						26
124 948 78	15 962 41		TOTAL OPERATION	5 698 70	11 243 32	27
			MAINTENANCE			28
-	-	2850	Structures & Improvements	-	-	29
86 38	319 23	2852	General Office Furniture & Equipment	19 93	12 85	30
-	-	2854	Communication Equipment	-	-	31
-	-	2856	Miscellaneous General Equipment	-	-	32
						33
						34
						35
						36
						37
						38
86 38	319 23		TOTAL MAINTENANCE	19 93	12 85	39
125 035 16	15 643 18		TOTAL ADMINISTRATIVE & GENERAL EXP.	5 678 77	11 230 97	40
			MISCELLANEOUS DUPLICATE CHARGES			41
						42
4 123 40	21 178 41	2982	Adm. & Gen'l. Exp. Transf. to Constr. Credit	3 880 52	21 402 88	43
-	-	2983	Joint Operating Expenses Transf. Credit	-	-	44
27 143 83	5 311 88	2985 1	Gas Used by Gas Dept. for Power Credit	12 166 13	3 563 28	45
-	-	2985 2	" " " " Mfd. Gas Credit	-	-	46
3 234 09	2 114 54	2985 3	" " " " Co. Bldgs. Credit	510 90	88 57	47
11 21	2 812 47	2985 4	" " " " Other Credit	11 21	2 812 47	48
-	-	2987	" " " " Other Depts. Credit	-	-	49
-	-	2988	Free Gas Credit	-	-	50
2 584 80	881 89	2989	Stores Expenses Transferred Credit	565 55	309 57	51
						52
109 097 33	15 682 57		TOTAL DUPLICATE CHARGES	17 134 31	20 253 93	53
						54
3 614 865 37	755 743 41		Total Operation	342 379 99	111 136 42	55
52 159 96	3 146 56		Total Maintenance	4 930 95	374 22	56

Exhibit 163

						33
						34
						35
						36
						37
86 38	319 23		TOTAL MAINTENANCE	19 93	12 85	38
125 035 16	15 643 18		TOTAL ADMINISTRATIVE & GENERAL EXP.	5 678 77	11 230 97	39
						40
			MISCELLANEOUS DUPLICATE CHARGES			41
4 123 40	21 178 41	2982	Adm. & Gen'l Exp. Trans. to Constr. Credit	3 880 52	21 402 88	42
-	-	2983	Joint Operating Expenses Trans. Credit	-	-	43
27 143 83	5 311 88	2985 1	Gas Used by Gas Dept. for Power Credit	12 166 13	3 563 28	44
-	-	2985 2	" " " " Mid Gas Credit	-	-	45
3 234 09	2 114 54	2985 3	" " " " Co. Bldgs. Credit	510 90	88 57	46
11 21	2 812 47	2985 4	" " " " Other Credit	11 21	2 812 47	47
-	-	2987	" " Other Depts. Credit	-	-	48
-	-	2988	Free Gas Credit	-	-	49
2 584 80	881 89	2989	Stores Expenses Transferred Credit	565 55	309 57	50
109 097 33	15 682 57		TOTAL DUPLICATE CHARGES	17 134 31	20 253 93	51
3 614 865 37	755 743 41		Total Operation	342 379 99	111 136 42	52
52 159 96	3 148 56		Total Maintenance	4 930 95	374 22	53
366 785 40	74 018 52	2990	Provision for Retirements	38 714 66	7 741 37	54
-	-	2992	Extraordinary Retirement Expenses	-	-	55
329 837 20	25 552 40	2996	Taxes - Federal	57 557 02	8 369 71	56
142 655 06	5 303 44	2997	Taxes - State and Other	2 616 84	1 782 58	57
						58
4 506 302 99	806 366 41		TOTAL GAS EXPENSES	446 259 46	125 839 14	59
(A)	(B)			(C)	(D)	60
						61
						62
						63

5317

15339

Exhibit 163

COLUMBIA SYSTEM

STATISTICAL REPORT

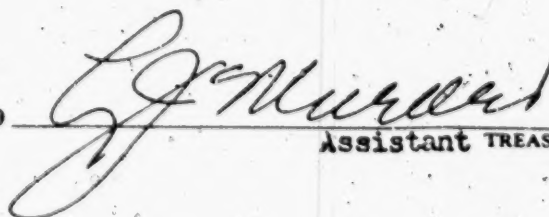
OF

MICHIGAN GAS TRANSMISSION CORPORATION

(Unassigned)

FOR PERIOD ENDED December 31, 1941

SIGNED



Assistant TREASURER

DATE January 21, 1942

Exhibit 163

DELIVERIES	CUSTOMERS	MCF			MCF			MCF			
		Current Month	Increase Over Previous Year	Percent Increase	Months To Date	Increase Over Previous Year	Percent Increase	12 Months To Date	Increase Over Previous Year	Percent Increase	
RETAIL											1
Residential											2
Commercial											3
Municipal and Other Public											4
Industrial †											5
Other											6
											7
											8
TOTAL RETAIL SALES		-	-	-				-	-	-	9
WHOLESALE											10
Other Public Utilities †	11	1 243 425	285 268	29.8				13 145 792	3 048 816	30.2	11
Other Utilities - Col. Sys. †	-	-	-	-				-	-	-	12
											13
TOTAL SALES TO PUBLIC	11	1 243 425	285 268	29.8				13 145 792	3 048 816	30.2	14
INTER-COMPANY											15
This Group †		-	-	-				-	-	-	16
Other Groups †		109 910	16 689	13.2				1 312 221	44 268	3.5	17
TOTAL INTER-COMPANY SALES		109 910	16 689	13.2				1 312 221	44 268	3.5	18
TOTAL ALL SALES		1 353 335	268 579	24.8				14 458 013	3 093 084	27.2	19
MISCELLANEOUS DELIVERIES											20
Company Use, Elg. Gen. Stations †		-	-	-				-	-	-	21
Other Company Use, etc.		51 492	13 952	37.2				423 552	32 871	8.4	22
Del. for P.E.P.L.Co.		2 644 188	195 320	8.0				24 420 803	1 988 837	8.9	23
Delivered for Kentucky		178 839	62 893	26.0				2 001 912	110 168	5.2	24
TOTAL MISCELLANEOUS DELIVERIES		2 874 520	146 379	5.4				26 846 267	1 911 540	7.7	25
TOTAL GAS DELIVERIES		4 227 855	414 958	10.9				41 304 280	5 004 624	13.8	26
AVAILABLE FOR DELIVERIES											27
PURCHASED INTER-COMPANY											28
This Group †		-	-	-				-	-	-	29
Other Groups †		-	-	-				-	-	-	30
TOTAL PURCHASED INTER-COMPANY		-	-	-				-	-	-	31
PURCHASED INDEPENDENTS											32
Natural Gas †		1 495 454	315 112	26.7				15 580 331	3 268 734	26.6	33
Manufactured Gas †		-	-	-				-	-	-	34
											35
TOTAL PURCHASED INDEPENDENTS		1 495 454	315 112	26.7				15 580 331	3 268 734	26.6	36
TOTAL GAS PURCHASED		1 495 454	315 112	26.7				15 580 331	3 268 734	26.6	37
PRODUCED											38
Natural Gas											39
Manufactured Gas											40
											41
											42
TOTAL GAS PRODUCED		-	-	-				-	-	-	43
INTERCHANGE OF GAS - NET	Miscellaneous	2 644 188	195 320	8.0				24 420 803	1 988 837	8.9	44
GAS IN OR OUT OF STORAGE - NET	Kentucky	178 839	62 893	26.0				2 001 912	110 168	5.2	45
TOTAL GAS AVAILABLE FOR DELIVERIES		4 318 481	447 539	11.5				42 003 046	5 147 403	14.0	46
LOSS (Black)		90 626	32 581	56.1				698 766	142 779	25.7	47
GAIN (Red)											

† Detail on Page 53

GAS STATISTICS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

51

Exhibit 163

5353

	MCF OR KWH			MCF OR KWH			MCF OR KWH			
	Current Month	Increase Over Previous Year	Avg. Rate	Months To Date	Increase Over Previous Year	Avg. Rate	12 Months To Date	Increase Over Previous Year	Avg. Rate	
DELIVERIES										
Wholesale-Other Public Utilities										
Central Indiana Gas Company	722 055	182 550	25.42				8 142 040	2 261 925	24.89	
Indiana-Ohio Public Service Co.	14 636	2 613	35.45				122 887	1 190	33.32	
Iokomo Gas and Fuel Company	43 745	1 119	28.86				567 666	67 468	27.85	
Lynn Natural Gas Company	1 170	36	35.01				10 681	24	39.14	
Northern Indiana Public Service Company	204 077	48 544	34.31				1 793 964	317 270	32.95	
Pendleton Natural Gas Company	1 930	402	51.46				17 639	1 989	51.97	
Public Service Company of Indiana	254 299	51 913	32.98				2 476 459	395 639	29.89	
Town of Lapel, Indiana	693	207	30.81				7 646	2 752	38.57	
Town of Montezuma, Indiana	141	13	52.59				1 662	105	52.52	
Town of Pittsboro, Indiana	383	93	36.80				2 704	235	40.69	
Town of Roschdale, Indiana	296	42	35.49				2 444	219	40.28	
Total, Page 51, Line 11	1 243 425	285 268	28.72				13 145 792	3 048 816	27.21	
Inter-Company Sales-Other Groups										
Columbus Group:										
Indiana Gas Distribution Corp.	109 311	16 513	24.72				1 306 394	44 994	24.51	
The Ohio Fuel Gas Company	599	176	37.97				5 827	726	45.28	
Total, Page 51, Line 17	109 910	16 689	24.80				1 312 221	44 268	24.60	
Total, Page 51, Line 19	1 353 335	268 579	28.40				14 458 013	3 093 084	26.97	
Miscellaneous										
Delivered for Panhandle Eastern Pipe Line Company To:										
Michigan Consolidated Gas Co.-Detroit	2 523 077	127 535	32.67				23 698 153	1 721 426	32.97	
Michigan Consolidated Gas Co.-Ann Arbor	40 539	5 527	35.13				358 943	54 397	32.64	
The Ohio Gas, Light & Coke Co.	20 200	5 675	35.59				154 955	35 893	33.20	
Central States Natural Gas Company, Inc.	975	248	33.44				10 977	2 111	32.46	
Toledo Edison Company	3 356	790	32.65				31 557	13 014	31.48	
National Utilities Co. of Michigan	31 763	31 763	28.98				113 787	113 787	29.70	
Western Ohio Public Service Co.	1 132	1 132	30.94				3 587	3 587	32.55	
Richmond Gas Corporation	23 146	23 146	30.09				48 844	48 844	30.27	
Total, Page 51, Line 23	2 644 188	195 320	32.66				24 420 803	1 768 837	32.94	
Delivered to Kentucky Natural Gas Corporation										
Page 51, Line 24	178 839	62 893	.56				2 001 912	110 168	.50	

DETAIL OF STATISTICS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

15341
53

	MCF OR KWH			MCF OR KWH			MCF OR KWH			
	Current Month	Increase Over Previous Year	Avg. Rate	Months To Date	Increase Over Previous Year	Avg. Rate	12 Months To Date	Increase Over Previous Year	Avg. Rate	
AVAILABLE FOR DELIVERY										1
Purchased-Independents-Natural Gas										2
Panhandle Eastern Pipe Line Co.										3
Page 51, Line 33	1 495 454	315 112	21.83				15 580 331	3 268 331	20.85	4
										5
										6
Miscellaneous										7
Received from Panhandle Eastern Pipe Line Company for-										8
Michigan Consolidated Gas Company-Detroit	2 523 077	127 635	26.13				23 698 153	1 721 426	26.34	9
Michigan Consolidated Gas Company - Ann Arbor	40 539	5 527	27.81				358 923	54 397	26.11	10
The Ohio Gas, Light & Coke Co.	20 200	5 675	28.13				154 955	35 893	26.50	11
Central States Natural Gas Company, Inc.	975	248	26.65				10 977	2 111	25.99	12
Toledo Edison Company	3 356	790	26.12				31 557	13 014	25.32	13
National Utilities Company of Michigan	31 763	31 763	23.45				113 787	113 787	24.01	14
Western Ohio Public Service Company	1 132	1 132	24.62				3 587	3 587	26.05	15
Richmond Gas Corporation	23 146	23 146	24.37				48 844	48 844	24.50	16
										17
										18
Total, Page 51, Line 44	2 644 188	195 320	26.12				24 420 803	1 988 837	26.32	19
										20
Received for Kentucky Natural Gas Corporation										21
Page 51, Line 45	178 832	62 893	-				2 001 912	110 168	-	22
										23
										24
										25
										26
										27
										28
										29
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DETAIL OF STATISTICS

Gas

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

15342

53

15343

Exhibit 163
COLUMBIA SYSTEM

**FIXED CAPITAL EXPENDITURE
REPORT**

OF

MICHIGAN GAS TRANSMISSION CORPORATION
(Unassigned)

FOR PERIOD ENDED December 31, 1941

SIGNED

E. J. Murdock
ASSISTANT TREASURER

DATE January 22, 1942

Budget No.	DESCRIPTION	Amount of Budget	Expenditures					Income Present Est. Over Last Approval		Percent of Budget	Est. Date of Act's Comp't	
			This Month	From Jan. 1st	From Beginning	Estimated To Complete	Present Estimated Total	Amount	%			
TRANSMISSION DEPARTMENT												
13	Transmission Mains-Minor Additions	22 000	3 377	11 099	11 099	-	11 099	10 941	50	Complete		1
14	Measuring & Regulating Equipment	3 500	1 401	1 653	1 653	-	1 653	1 847	50	Complete		2
15	Compressor Station Equipment	5 000	273	1 824	1 824	-	1 824	3 176	63	Complete		3
16	Compressor Station Structures	1 000	892	1 886	1 886	-	1 886	886	88	Complete		4
17	Measuring & Regulating Station Structures	1 000	2	470	470	-	470	530	53	Complete		5
18	Other Transmission System Structures	500	-	195	195	-	195	305	61	Complete		6
94	Installation of Valve Operator at Detroit Measuring Station	1 200	-	1	1 589	-	1 589	389	32	Complete		7
98	Construct 54.71 miles of 24" pipe line	1 638 000	234	74 063	1 453 996	-	1 453 996	184 004	11	Complete		8
100-R	Construct Edgerton Station and addition to Montezuma Station	759 600	-	24 866	763 603	-	763 603	4 003	1	Complete		9
107-R	Construct Central District Warehouse near Eluffton, Indiana	27 978	9 548	26 438	26 438	1 540	27 978	-	-	85	Mar.	10
109	Construction of Regulating and Measuring Station to serve Monroe, Michigan	4 791	565	6 065	6 065	-	6 065	1 274	27	100	Mar.	11
110	Reinforcement of Transmission Facilities of Michigan Gas Transmission Corporation	285 500	22 134	302 102	302 102	20 000	322 102	36 602	13	95	Apr.	12
112	Construction of Regulating and Measuring Station on Line "C" near Elwood, Ind.	4 167	514	4 818	4 818	-	4 818	651	15	100	Mar.	13
114	Install two Blaw-Knox Cleaners at Montezuma, Indiana	13 496	-	54	54	13 442	13 496	-	-	-	June	14
115	Construct 48,000' of 6-5/8" O.D. Pipe Line and add one meter at Port Wayne Measuring Station	65 055	492	53 238	53 238	4 000	57 238	7 817	12	90	Apr.	15
117	Construct Richmond Regulating and Measuring Station	8 485	725	2 276	2 276	6 209	8 485	-	-	25	Apr.	16
	Transmission Department Carried Forward	2 841 272	37 355	511 006	2 631 266	45 191	2 676 457	164 815	-	-		16344

FIXED CAPITAL ADDITIONS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

16344
70

Budget No.	DESCRIPTION	Amount of Budget	This Month	Since Jan. 1st	Expenditures From Beginning	Estimated To Complete	Present Estimated Total	Increase Present Est. Over Last Approval Amount	% Physically Completed	Est'd Date of Acc't's Compl'n	
	Transmission Department										1
	Brought Forward	2 841 272	37 355	511 006	2 631 266	45 191	2 576 457	164 815	-	-	2
119	Construct Greenfield Measuring and Regulating Station	3 348	599	599	599	2 749	3 348	-	-	25 May	3
120	Construct Panhandle-Michigan Measuring Station	31 352	1 161	1 161	1 161	30 191	31 352	-	-	June	4
122	Purchase of land for water well site	1 800	38	38	38	1 762	1 800	-	-	Apr.	5
	Total Transmission	2 877 712	39 153	512 804	2 633 064	79 893	2 712 957	164 815	-	-	6
	GENERAL PROPERTY										12
41	Office Furniture & Fixtures	1 700	205	2 161	2 161	-	2 161	461	27	Complete	13
42	Tools and Work Equipment	3 500	536	2 669	2 669	-	2 669	831	26	Complete	14
43-R	Stores Equipment	750	-	644	644	-	644	106	2	Complete	15
97	Purchase of Emergency Pipe Repair Equipment	3 200	-	20	3 213	-	3 213	13	-	Complete	16
106R	Automotive Equipment- 1st Quarter	1 600	-	1 467	1 467	-	1 467	133	8	Complete	17
111	2nd Quarter	3 558	5	3 411	3 411	-	3 411	147	4	Complete	18
113	3rd Quarter	1 844	-	1 815	1 815	-	1 815	29	2	Complete	19
116	Purchase Marchant Calculator	675	-	695	695	-	695	20	3	Complete	20
118	Automotive Equipment- 4th Quarter	1 558	758	758	758	800	1 558	-	-	50 Mar.	21
	Total General Property	18 385	1 504	13 640	16 833	800	17 633	752	4	-	22
	Total Gas Department	2 896 157	40 657	526 444	2 649 897	80 693	2 730 590	165 597	6	-	23
	Reconciliation with Fixed Capital Account as shown on Balance Sheet										24
	Total Expenditures as shown above		40 657	526 444	2 649 897						25
	Completed items transferred to Fixed Capital during 1941										26
	Balance in open blanket work orders as of December 31, 1940		-	-	3 234						27
	Completed items closed to Fixed Capital during 1940 but included in Column E										28
				6 564	11 641						29
											30
											31
											32
											33
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FIXED CAPITAL ADDITIONS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

Month of December 1941

15345

70

Exhibit 163

5363

Budget No.	DESCRIPTION	Cost Of Retiring - Less Salvage Value					Credit To Fixed Capital To Date	Cost of Retiring To Date	Salvage Value To Date	Net Charge To Retirement Work In Progress To Date	Est'd Date of Asset's Completion	
		Amount of Budget	This Month	Since Jan. First	From Beginning	Estimated To Complete						
	TRANSMISSION DEPARTMENT											
113	Transmission Mains-Minor Retirements	400	46	461	461	-	1 482	335	796	1 021	Comp.	1
114	Measuring & Regulating Equipment	1 500	227	276	276	-	1 250	142	418	974	Comp.	2
115	Compressor Station Equipment	2 000	64	659	659	-	1 853	104	763	1 194	Comp.	3
116	Compressor Station Structures	650	188	729	729	-	2 186	949	220	2 915	Comp.	4
117	Measuring & Regulating Station Structures	650	-	20	20	-	20	-	20	-	Comp.	5
118	Other Transmission System Structures	200	-	-	-	-	-	-	-	-	Comp.	6
1318	Removal of Displacement Measuring Equipment at Winchester Station	540	-	-	141	-	431	59	200	290	Comp.	7
1820	Remove Structures and Equipment at Detroit Regulator Station	285	-	138	1 335	-	3 944	55	1 390	2 609	Comp.	8
1822	Sale of Property Acquired Under Michigan Scavenger Act	2 514	-	2 487	2 487	-	2 487	-	2 487	-	Comp.	9
	Total Transmission	5 739	71	3 312	4 650	-	13 653	1 644	6 294	9 003	-	10
	GENERAL PROPERTY											11
114	Office Furniture & Fixtures	100	-	-	-	-	-	-	-	-	Comp.	12
112	Tools and Work Equipment	200	-	-	-	-	-	-	-	-	Comp.	13
113	Stores Expense	50	-	-	-	-	-	-	-	-	Comp.	14
1821	Automobiles - 1st Quarter	955	-	952	952	-	3 227	-	952	2 275	Comp.	15
1823	Automobiles - 2nd Quarter	300	-	300	300	-	1 045	-	300	745	Comp.	16
1824	Automobiles - 3rd Quarter	325	-	325	325	-	1 171	-	325	846	Comp.	17
1825	Retirement of one Monroe Portable Calculator	100	-	100	100	-	202	-	100	102	Comp.	18
1826	Automobiles - 4th Quarter	233	-	233	233	-	453	-	233	220	Comp.	19
	Total General Property	2 223	-	1 910	1 910	-	6 098	-	1 910	4 188	-	20
	Total Gas Department	7 962	71	5 222	6 560	-	19 751	1 644	8 204	13 191	-	21

15346

ED CAPITAL RETIREMENTS

MICHIGAN GAS TRANSMISSION CORPORATION

Month of

December 1941

COLUMBIA SYSTEM

X-70

Exhibit 163

DESCRIPTION	Cost Of Retiring Less Salvage Value				Credit To Fixed Capital To Date	Cost of Retiring To Date	Salvage Value To Date	Net Charge To Retirement Work In Progress To Date	Total Date of Acc't Complete
	Amount of Budget	This Month	Since Jan. First	From Beginning					
Reconciliation with Retirement Work in Progress as shown on Balance Sheet									1
									2
									3
									4
									5
Net charge to date as shown on sheet X70-A								13 191	6
									7
									8
Amount transferred to Retirement and Depletion Reserve								13 651	9
									10
									11
Balance in open Work Orders as of December 31, 1940								388	12
									13
									14
									15
Retirement Work in Progress as of December 31, 1941								72	16
									17
									18
									19
									20
									21
									22
									23
									24
									25
									26
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									40
									41
									42
									43
									44
									45

Acct No.	Account Title	Balance First of Year	Current Year		Balance End of Period	
			Additions	Retirements		
	AMOUNT BROUGHT FORWARD					1
	STORAGE PLANT					2
235	Land and Land Rights					3
235-1	Land					4
235-2	Land Rights					5
236	Structures and Improvements					6
237	Gas Holders					7
238	Gas Storage Wells					8
238-1	Gas Storage Well Construction					9
238-2	Gas Storage Well Equipment					10
239	Miscellaneous Storage Equipment					11
						12
	TRANSMISSION PLANT					13
240	Land and Land Rights					14
240-1	Land	3 825 69	859 80	2 487 00	2 198 49	15
240-2	Land Rights					16
240-3	Rights-of-Way	17 237 62	1 280 31		18 517 93	17
242	Structures and Improvements					18
242-1	Compressor Station Structures	205 698 59	69 686 52	2 106 11	273 279 00	19
242-2	Transmission System Measuring and Regulating Station Structures	15 105 72	1 470 25	19 49	16 556 48	20
242-3	Other Transmission System Structures	161 28	24 251 78		24 413 06	21
243	Compressor Station Equipment	833 763 10	250 162 98	459 15	1 093 466 93	22
244	Measuring and Regulating Equipment	22 173 99	12 263 18	311 80	34 125 37	23
245	Mains	1 373 734 50	134 682 89		1 508 417 39	24
246	Miscellaneous Transmission Equipment	121 09	1 522 02		1 643 11	25
						26
	DISTRIBUTION PLANT					27
250	Land and Land Rights					28
250-1	Land					29
250-2	Land Rights					30
250-3	Rights-of-Way					31
251	Structures and Improvements					32
252	Pumping, Regulating and Measuring Equipment					33
253	Mains					34
254	Services					35
255	Meters					36
255-1	Meters					37
255-2	Meter Installations					38
255-3	House Regulators					39
255-4	Industrial Measuring Installations					40
255-5	House Regulator Installations					41
256	Other Property on Customers' Premises					42
257	Street Lighting Equipment					43
258	Miscellaneous Distribution Equipment					44
						45
	AMOUNT CARRIED FORWARD	2 471 821 58	506 179 73	5 383 55	2 072 617 76	46
		(A)	(B)	(C)	(D)	47

15348

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
GAS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

For Period Ended December 31, 1941

72

Account Title	Balance First of Year	Current Year		Balance End of Period	
		Additions	Retirements		
AMOUNT BROUGHT FORWARD	2 471 821 58	506 179 73	5 383 55	2 972 617 76	1
GENERAL PLANT					2
Land and Land Rights					3
Land	-	-	-	-	4
Land Rights	-	-	-	-	5
Structures and Improvements	-	-	-	-	6
Office Furniture and Equipment	1 639 07	2 855 88	-	4 494 95	7
Transportation Equipment	-	-	-	-	8
Automobiles and Trucks	14 058 05	7 458 78	17 14	21 499 69	9
Other Automotive Equipment	-	-	-	-	10
Trailers	1 706 68	-	-	1 706 68	11
Other	4 824 40	-	-	4 824 40	12
Stores Equipment	83 97	643 74	-	727 71	13
Shop Equipment	-	-	-	-	14
Laboratory Equipment	-	-	-	-	15
Tools and Work Equipment	5 577 31	2 748 21	-	8 325 52	16
Communication Equipment	-	-	-	-	17
Miscellaneous General Equipment	-	-	-	-	18
					19
					20
					21
					22
					23
					24
					25
Other Tangible Property	-	-	-	-	26
Gas Plant Purchased	-	-	-	-	27
Gas Plant Sold	-	-	-	-	28
Gas Plant in Process of Reclassification	9 791 109 10	6 86	12 598 87	9 778 503 37	29
					30
See Detail on 71A, 72A and 73A Sheets					31
					32
					33
					34
					35
					36
TOTAL GAS PLANT IN SERVICE	12 290 820 16	519 879 48	17 999 56	12 792 700 08	37
Gas Plant Leased to Others					38
Gas Plant Held for Future Use					39
Gas Plant Acquisition Adjustments					40
Gas Plant Adjustments					41
					42
					43
					44
					45
					46
TOTAL PROPERTY, PLANT AND EQUIPMENT - GAS	12 290 820 16	519 879 48	17 999 56	12 792 700 08	47

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(DETAIL OF)
PROPERTY, PLANT AND EQUIPMENT
GAS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEM

For Period Ended December 31, 1941

Exhibit 163

Account Title	Balance First of Year	Current Year		Balance End of Period	
		Additions	Retirements		
INTANGIBLE PLANT					1
Organization	10 332 75	-	-	10 332 75	2
Franchises and Consents					3
Perpetual	-	-	-	-	4
Limited	-	-	-	-	5
Miscellaneous Intangible Plant	73 667 17	-	-	73 667 17	6
PRODUCTION PLANT - NATURAL GAS					7
Land and Land Rights					8
Gas Land Owned in Fee					9
Gas Land Leaseholds					10
Gas Land Rights					11
Rights-of-Way					12
Other Land					13
Other Land Rights					14
Structures and Improvements					15
Gas Well Structures					16
Field Measuring and Regulating Station Structures					17
Other Production System Structures					18
Gas Wells					19
Gas Well Construction					20
Gas Well Equipment					21
Gathering Lines					22
Measuring and Regulating Equipment					23
Drilling and Cleaning Equipment					24
Purification Equipment					25
Miscellaneous Production Equipment					26
PRODUCTION PLANT - MANUFACTURED GAS					27
Land and Land Rights					28
Land					29
Land Rights					30
Structures and Improvements					31
Boiler Plant Equipment					32
Other Power Equipment					33
Benchies and Retorts					34
Coke Ovens					35
Producer Gas Equipment					36
Water Gas Generating Equipment					37
Petroleum Gas Equipment					38
Other Gas Generating Equipment					39
Gas Reforming Equipment					40
Purification Equipment					41
Residual Refining Equipment					42
Miscellaneous Production Equipment					43
Coal, Coke and Ash Handling Equipment					44
Other Miscellaneous Production Equipment					45
AMOUNT CARRIED FORWARD	83 999 92			83 999 92	46
	(A)	(B)	(C)	(D)	47

15350

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT MICHIGAN GAS TRANSMISSION CORPORATION
GAS Plant in Process of Reclassification COLUMBIA SYSTEM

For Period Ended December 31, 1941

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Exhibit 163

5373

Acc't No.	Account Title	Balance First of Year	Current Year		Balance End of Period	
			Additions	Retirements		
	AMOUNT BROUGHT FORWARD	83 999 92	-	-	83 999 92	1
	STORAGE PLANT					2
235	Land and Land Rights					3
235-1	Land					4
235-2	Land Rights					5
236	Structures and Improvements					6
237	Gas Holders					7
238	Gas Storage Wells					8
238-1	Gas Storage Well Construction					9
238-2	Gas Storage Well Equipment					10
239	Miscellaneous Storage Equipment					11
	TRANSMISSION PLANT					12
240	Land and Land Rights					13
240-1	Land	22 273 61	-	-	22 273 61	14
240-2	Land Rights	284 96	-	-	284 96	15
240-3	Rights-of-Way	230 336 85	-	-	230 336 85	16
242	Structures and Improvements					17
242-1	Compressor Station Structures	228 630 83	* 449 73	79 55	229 001 01	18
242-2	Transmission System Measuring and Regulating Station Structures	35 303 00	* 149 91	-	35 452 91	19
242-3	Other Transmission System Structures	38 568 18	-	-	38 568 18	20
243	Compressor Station Equipment	976 401 07	* 456 59	1 395 88	974 547 60	21
244	Measuring and Regulating Equipment	102 617 60	* 75 09	3 558 02	99 134 67	22
245	Mains	8 035 150 74	-	1 483 54	8 033 667 20	23
246	Miscellaneous Transmission Equipment		-	-		24
	DISTRIBUTION PLANT					25
250	Land and Land Rights					26
250-1	Land					27
250-2	Land Rights					28
250-3	Rights-of-Way					29
251	Structures and Improvements					30
252	Pumping, Regulating and Measuring Equipment					31
253	Mains					32
259	Services					33
260	Meters					34
260-1	Meters					35
260-2	Meter Installations					36
260-3	House Regulators					37
260-4	Industrial Measuring Installations					38
260-5	House Regulator Installations					39
261	Other Property on Customers' Premises					40
263	Street Lighting Equipment					41
264	Miscellaneous Distribution Equipment					42
	AMOUNT CARRIED FORWARD	9 753 566 76	218 14	6 517 99	9 747 266 91	43
						44
						45
						46
						47

15351

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT — MICHIGAN GAS TRANSMISSION CORPORATION
GAS Plant in Process of Reclassification COLUMBIA SYSTEM

For Period Ended December 31, 1941

* Transfer of Equipment from one account to another

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Exhibit 163

Acc't No.	Account Title	Balance First of Year	Current Year Additions	Retirements	Balance End of Period	
	AMOUNT BROUGHT FORWARD	9 753 566 76	218 14	6 517 99	9 747 266 91	1
	GENERAL PLANT					2
270	Land and Land Rights					3
270 1	Land					4
270 2	Land Rights					5
271	Structures and Improvements					6
272	Office Furniture and Equipment	13 865 07	225 00	202 50	13 437 57	7
273	Transportation Equipment	-	-	-	-	8
273 1	Automobiles and Trucks	12 692 23	-	5 878 35	6 813 85	9
273 2	Other Motive Equipment	-	-	-	-	10
273 3	Trailers	321 31	-	-	321 31	11
273 4	Other	2 028 15	-	-	2 028 15	12
274	Stores Equipment	1 251 59	-	-	1 251 59	13
275	Shop Equipment	-	-	-	-	14
276	Laboratory Equipment	-	-	-	-	15
277	Tools and Work Equipment	7 383 99	-	-	7 383 99	16
278	Communication Equipment	-	-	-	-	17
279	Miscellaneous General Equipment	-	-	-	-	18
						19
						20
						21
						22
						23
						24
						25
290	Other Tangible Property					26
291	Gas Plant Purchased					27
292	Gas Plant Sold					28
293	Gas Plant in Process of Reclassification					29
						30
						31
						32
						33
						34
						35
						36
	TOTAL GAS PLANT IN SERVICE	9 791 109 10	6 86	12 598 87	9 778 503 37	37
1-22	Gas Plant Leased to Others					38
1-23	Gas Plant Held for Future Use					39
1-24	Gas Plant Acquisition Adjustments					40
1-25	Gas Plant Adjustments					41
						42
						43
						44
						45
						46
	TOTAL PROPERTY, PLANT AND EQUIPMENT - GAS	9 791 109 10	6 86	12 598 87	9 778 503 37	47

DETAIL OF

PROPERTY, PLANT AND EQUIPMENT

MICHIGAN GAS TRANSMISSION CORPORATION

For Period Ended December 31, 1941

GAS Plant in Process of Reclassification

COLUMBIA SYSTEM

* Transfer of Equipment between accounts.

15352

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TOWN	THIS MONTH				12 MONTHS TO DATE				
	NO. OF ACCOUNTS	CUBIC FEET		CENTS PER M	AMOUNT	CUBIC FEET		CENTS PER M	AMOUNT
		M	C			M	C		
Other Public Utilities									
Revenue									
Central Indiana Gas Co.		722 055		25.42	183 512 65	8 142 040		24.89	2 026 732 36
Indiana-Ohio Public Service Company		14 636		35.45	5 188 27	122 887		33.32	40 941 62
Kokomo Gas & Fuel Co.		43 745		28.86	12 625 04	567 666		27.85	158 083 62
Lynn Natural Gas Co.		1 170		35.01	409 60	10 681		39.14	4 181 02
Northern Indiana Public Service Co.		204 077		34.31	70 025 61	1 793 964		32.95	591 156 50
Pendleton Natural Gas Company		1 930		51.46	993 10	17 639		51.97	9 166 35
Public Service Company of Indiana		254 299		32.98	83 859 25	2 476 459		29.89	740 175 33
Town of Lapel, Indiana		693		30.81	213 53	7 646		38.57	2 949 31
Town of Montezuma, Ind.		141		52.55	74 15	1 662		52.52	872 95
Town of Pittsboro, Ind.		383		36.80	140 94	2 704		40.69	1 100 28
Town of Roachdale, Ind.		296		35.49	105 04	2 444		40.28	984 44
Total		1 243 425		28.72	357 147 18	13 145 792		27.21	3 576 243 78
Inter-Company Sales -									
Other Groups									
Indiana Gas Distribu- tion Corporation		109 311		24.73	27 037 80	1 306 394		24.51	320 181 22
The Ohio Fuel Gas Co.		599		37.07	222 07	5 827		45.28	2 538 21
Total		109 910		24.80	27 259 87	1 312 221		24.60	322 819 43
Total Sales		1 353 335		28.40	384 407 05	14 458 013		26.97	3 899 163 21
Delivered for Panhandle									
Eastern Pipe Line Co. To									
Michigan Consolidated Gas Company -Detroit		2 523 077		32.67	824 269 01	23 698 153		32.97	7 812 867 76
Michigan Consolidated Gas Company-Ann Arbor		40 539		35.13	14 239 61	358 943		32.64	117 151 17
The Ohio Gas, Light & Coke Company		20 200		35.59	7 189 95	154 955		33.20	51 449 26
Central States Natural Gas Company, Inc.		975		33.44	326 00	10 977		32.46	3 562 74
Toledo Edison Company		3 356		32.55	1 095 81	31 557		31.48	9 933 52
National Utilities Company of Michigan		31 743		28.98	9 206 45	113 787		29.70	33 797 82
Western Ohio Public Service Company		1 132		30.94	350 27	3 587		32.55	1 167 53
Richmond Gas Corp.		23 146		30.09	6 964 53	48 344		30.27	14 787 22
Total		2 644 158		32.66	863 641 74	24 420 803		32.94	8 044 717 02
Delivered to Kentucky									
Natural Gas Corp.									
		178 839		.56	1 000 00	2 001 912		.50	10 000 00
Grand Total		4 176 362		29.91	1 249 048 78	40 880 728		29.24	11 953 880 23

Central Indiana Gas Co.	722 055	25.42	183 514 07	142 040	44.09	620 124 20
Indiana-Ohio Public Service Company	14 636	35.45	5 188 27	122 887	33.32	40 941 62
Kokomo Gas & Fuel Co.	43 745	28.86	12 625 04	567 666	27.85	158 083 62
Lynn Natural Gas Co.	1 170	35.01	409 60	10 681	39.14	4 181 02
Northern Indiana Public Service Co.	204 077	34.31	70 025 61	1 793 964	32.95	591 156 50
Pendleton Natural Gas Company	1 930	51.46	993 10	17 639	51.97	9 166 35
Public Service Company of Indiana	254 299	32.98	83 85 25	2 476 459	29.89	740 175 33
Town of Lapel, Indiana	693	30.81	213 53	7 646	38.57	2 949 31
Town of Montezuma, Ind.	141	52.59	74 15	1 662	52.52	872 95
Town of Pittsboro, Ind.	383	36.80	140 94	2 704	40.69	1 100 28
Town of Roachdale, Ind.	296	35.49	105 04	2 444	40.28	984 44
Total	1 243 425	28.72	357 147 18	13 145 792	27.21	3 576 243 78
Inter-Company Sales - Other Groups						
Indiana Gas Distribution Corporation	109 311	24.73	27 037 80	1 306 394	24.51	320 181 22
The Ohio Fuel Gas Co.	599	37.07	222 07	5 827	45.28	2 638 21
Total	109 910	24.80	27 259 87	1 312 221	24.60	322 819 43
Total Sales	1 353 335	28.40	384 407 05	14 458 013	26.97	3 899 163 21
Delivered for Panhandle Eastern Pipe Line Co. To						
Michigan Consolidated Gas Company - Detroit	2 523 077	32.67	824 269 01	23 698 153	32.97	7 812 867 76
Michigan Consolidated Gas Company - Ann Arbor	40 539	35.13	14 239 61	358 943	32.64	117 151 17
The Ohio Gas, Light & Coke Company	20 200	35.59	7 189 95	154 955	33.20	51 449 26
Central States Natural Gas Company, Inc.	975	33.44	326 00	10 977	32.46	3 562 54
Toledo Edison Company	3 356	32.55	1 095 81	31 557	31.48	9 933 52
National Utilities Company of Michigan	31 763	28.98	9 206 45	113 787	29.70	33 797 82
Western Ohio Public Service Company	1 132	30.94	350 27	3 587	32.55	1 167 53
Richmond Gas Corp.	23 146	30.09	5 964 53	48 344	30.27	14 787 22
Total	2 644 158	32.66	863 641 73	24 420 803	32.94	8 044 717 02
Delivered to Kentucky Natural Gas Corp.	178 839	.56	1 000 00	2 001 912	.50	10 000 00
Grand Total	4 176 262	29.91	1 249 048 78	40 880 728	29.24	11 953 880 23

MICHIGAN GAS TRANSMISSION CORPORATION

COMPANY

DIST. NO.

ALL

ANALYSIS OF

Gas Earnings

MONTH

December 1941

PAGE NO. 12

Exhibit 164
COLUMBIA SYSTEM

15354

TOWN	THIS MONTH				12 MONTHS TO DATE				
	NO. OF ACCOUNTS	CUBIC FEET		CENTS PER M	AMOUNT	CUBIC FEET		CENTS PER M	AMOUNT
		M	C			M	C		
Other									
Panhandle Eastern Pipe Line Company	1	1 495 454		21.83	326 466 82	15 580 331		20.35	3 249 178 39
Received from Panhandle Eastern Pipe Line Co.									
Michigan Consolidated Gas Company-Detroit		2 523 077		26.13	659 273 70	23 698 153		25.34	6 241 128 12
Michigan Consolidated Gas Company-Ann Arbor		40 539		27.81	11 274 09	358 943		26.11	93 719 26
The Ohio Gas, Light and Coke Company		20 200		28.13	5 682 34	154 955		26.50	41 057 06
Central States Natural Gas Company, Inc.		975		26.55	259 87	10 977		25.99	2 852 38
Toledo Edison Company		3 356		26.12	87 49	31 557		25.32	7 989 31
National Utilities Company of Michigan		31 763		23.45	7 447 05	113 787		24.01	27 324 24
Western Ohio Public Service Company		1 132		24.62	278 72	3 587		26.05	934 48
Richmond Gas Corp.		23 146		24.37	5 641 32	48 844		24.50	11 965 62
Total.		2 644 188		26.12	690 723 58	24 420 803		26.32	6 426 970 47
Received for Kentucky Natural Gas Corp. * *		178 839			-	2 001 912			-
Grand Total		4 318 481		23.55	1 017 200 40	42 003 046		23.04	9 676 148 86

* Included on this statement to account for M.C.F. Only.

Received from Panhandle
Eastern Pipe Line Co.

Michigan Consolidated
Gas Company-Detroit
Michigan Consolidated
Gas Company-Ann Arbor
The Ohio Gas, Light
and Coke Company
Central States Natural
Gas Company, Inc.
*Toledo Edison Company
National Utilities
Company of Michigan
Western Ohio Public
Service Company
Richmond Gas Corp.

Total

Received for Kentucky
Natural Gas Corp. *

Grand Total

2 523 077	26.13	659 273 '70	23 698 153	26.34	6 241 128 12
40 532	27.81	11 274 09	358 943	26.11	93 719 26
20 200	28.13	5 682 34	154 955	26.50	41 057 06
975	26.65	259 87	10 977	25.99	2 852 38
3 356	26.12	875 49	31 557	25.32	7 989 31
31 763	23.45	7 447 05	113 787	24.01	27 324 24
1 132	24.62	278 72	3 587	26.05	934 48
23 146	24.37	2 641 32	48 844	24.50	11 965 62
2 644 188	26.12	690 723 58	24 420 803	26.32	6 426 970 47
178 839	-	-	2 001 912	-	-
4 318 481	23.55	1 017 200 40	42 003 046	23.04	9 676 148 86

* Included on this statement to account for M.C.F. Only.

MICHIGAN GAS TRANSMISSION CORPORATION

COMPANY

DIST. NO.

ALL

ANALYSIS OF

Gas Purchased

MONTH

December 1941

PAGE NO.

12

Exhibit 165

COLUMBIA SYSTEM

FINANCIAL STATEMENT
OPERATING BUDGET

OF

MICHIGAN GAS TRANSMISSION CORPORATION

FOR PERIOD ENDED YEAR 1942 19

SIGNED _____ Assistant TREASURER

DATE December 5, 1941

MICHIGAN GAS TRANSMISSION CORPORATION

15357 INCOME STATEMENT 3

YEAR 1942

		Detail on Page	Est. 12 Months Ended 12-31-42	Percent of Gross		Increase Over Same Month			
				This Year	Previous Year	Amount	Percent		
			Actual 12 Mo. Ended 10-31-41						1
GROSS REVENUES								2	
Gas	4A		4 061 881	100.0		637 133	18.6	3	
Electric	5A		-	-		-	-	4	
Railway and Bus	6		-	-		-	-	5	
Water and Heating	8A		-	-		-	-	6	
Non-Utility	9		-	-		139	100.0	7	
TOTAL REVENUES			4 061 881	100.0	100.0	637 003	18.6	9	
OPERATING EXPENSES								10	
Operation	x x		1 920 959	47.3		367 043	23.6	11	
Maintenance	x x		70 530	1.7		18 394	35.3	12	
Provision for Retirements and Depletion	x x		380 000	9.4		26 718	8.2	13	
Taxes	24		644 347	15.8		180 688	39.0	14	
TOTAL EXPENSES			3 015 836	74.2		594 843	24.6	15	
NET OPERATING REVENUE			1 046 045	25.8		42 160	4.2	16	
OTHER INCOME			-	-		227	100.0	17	
GROSS CORPORATE INCOME			1 046 045	25.8		41 933	4.2	18	
OTHER DEDUCTIONS			514 075	12.7		192	-	19	
LESS: Interest Charged to Construction - Credit			-	-		28 136	100.0	20	
NET INCOME			531 970	13.1		13 605	2.6	21	
			MONTHS ENDED						22
GROSS REVENUES								23	
Gas	4B							24	
Electric	5B							25	
Railway and Bus	6							26	
Water and Heating	8B							27	
Non-Utility	9							28	
TOTAL REVENUES				100.0	100.0			30	
OPERATING EXPENSES								31	
Operation	x x							32	
Maintenance	x x							33	
Provision for Retirements and Depletion	x x							34	
Taxes	24							35	
TOTAL EXPENSES								36	
NET OPERATING REVENUE								37	
OTHER INCOME								38	
GROSS CORPORATE INCOME								39	
OTHER DEDUCTIONS								40	
LESS: Interest Charged to Construction - Credit								41	
NET INCOME								42	
			12 MONTHS ENDED						43
GROSS REVENUES								44	
Gas	4C							45	
Electric	5C							46	
Railway and Bus	6							47	
Water and Heating	8C							48	
Non-Utility	9							49	
TOTAL REVENUES				100.0	100.0			51	
OPERATING EXPENSES								52	
Operation	x x							53	
Maintenance	x x							54	
Provision for Retirements and Depletion	x x							55	

REVENUES

Actual 12 Mo. ended 10-31-41

GROSS REVENUES							1
Gas	4A	4 061 881	100.0		637 133	18.6	2
Electric	5A	-	-		-	-	3
Railway and Bus	6	-	-		-	-	4
Water and Heating	8A	-	-		-	-	5
Non-Utility	9	-	-		130	100.0	6
							7
TOTAL REVENUES		4 061 881	100.0	100.0	637 003	18.6	8
OPERATING EXPENSES							9
Operation	x x	1 920 959	47.3		367 043	23.6	10
Maintenance	x x	70 530	1.7		18 394	35.3	11
Provision for Retirements and Depletion	x x	380 000	9.4		28 718	8.2	12
Taxes	24	644 347	15.8		180 688	39.0	13
TOTAL EXPENSES		3 015 836	74.2		594 843	24.6	14
NET OPERATING REVENUE		1 046 045	25.8		42 160	4.2	15
OTHER INCOME	16	-	-		227	100.0	16
GROSS CORPORATE INCOME		1 046 045	25.8		41 933	4.2	17
OTHER DEDUCTIONS	17	514 075	12.7		192	-	18
LESS Interest Charged to Construction - Credit	17	-	-		28 136	100.0	19
NET INCOME		531 970	13.1		13 605	2.6	20
							21
							22
							23
							24
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MONTHS ENDED

12 MONTHS ENDED

(A)

(B)

(C)

(D)

(E)

5383

MICHIGAN GAS TRANSMISSION CORPORATION OPERATING BUDGET

XXXXXX ended YEAR 1942

Acct No.	Detail on Page	Amount Estimated 12 Mo. Ended 12-31-42	Percent of Gross	Cents Per MCF ↑	Increase Over XXXXXXXX Amount	Percent	Cents Per MCF ↑	
					12 Months Ended 10-31-41			
	GROSS REVENUE - GAS							
1200	Residential	-	-	-	-	-	-	1
1201	Commercial	-	-	-	-	-	-	2
1202	Municipal & Other Public	-	-	-	-	-	-	3
1203	Industrial	-	-	-	-	-	-	4
1204	Other Public Utilities	1 607 752	39.6	30.82	211 061	15.1	.87	5
1205	Other Sales	-	-	-	-	-	-	6
	TOTAL	1 607 752	39.6	30.82	211 061	15.1	.87	7
1208	Inter-Company Sales - This Group	-	-	-	-	-	-	8
1209	Other Groups	-	-	-	-	-	-	9
	TOTAL SALES - INTER COMPANY	-	-	-	-	-	-	10
	TOTAL REVENUE - GAS	1 607 752	39.6	30.82	211 061	15.1	.87	11
	Other Gas Department Revenues	2 454 129	60.4	5.87	426 072	21.0	.14	12
	TOTAL REVENUE	4 061 881	100.0	-	637 133	18.6	-	13
	OPERATING EXPENSES							14
	Gas Purchased - Inter-Co - This Group	-	-	-	-	-	-	15
	" " " " Other Groups	-	-	-	-	-	-	16
	TOTAL PURCHASED INTER-CO	-	-	-	-	-	-	17
	Gas Purchased - Others	1 467 338	36.1	24.80	249 200	20.5	3.50	18
	Interchange of Gas - Net	-	-	-	-	-	-	19
	Gas In or Out of Storage - Net	-	-	-	-	-	-	20
	Purchased Gas Expense - Operation	720	-	-	202	39.0	-	21
	" " " " Maintenance	-	-	-	-	-	-	22
	Production - Operation	-	-	-	-	-	-	23
	" " " " Maintenance	-	-	-	-	-	-	24
	Transmission - Operation	409 190	10.1	.87	86 928	27.0	.07	25
	" " " " Maintenance	70 230	1.7	.15	18 179	34.9	.02	26
	Distribution - Operation	-	-	-	-	-	-	27
	" " " " Maintenance	-	-	-	-	-	-	28
	Customers Acct'g & Collecting	-	-	-	-	-	-	29
	Sales Promotion	17 156	.4	.04	10 143	144.6	.02	30
	Administrative & General - Operation	148 240	3.7	.32	18 028	13.8	.01	31
	" " " " Maintenance	300	-	-	215	252.9	-	32
	Misc. Duplicate Charges - Credit	121 685	3.0	.26	2 542	20.5	.05	33
	TOTAL OPERATION & MAINTENANCE	1 991 489	49.0	4.23	385 437	24.0	.22	34
	Total Operation	1 920 959	47.3	4.08	367 043	23.6	.20	35
	Total Maintenance	70 530	1.7	.15	18 394	35.3	.02	36
	Prov. for Retirements & Depletion	380 000	9.4	.81	28 718	8.2	.07	37
	Taxes - Federal	480 468	11.8	1.02	165 350	52.5	.23	38
	Taxes - State and Other	163 879	4.0	.35	15 338	10.3	.02	39
	TOTAL EXPENSES	3 015 836	74.2	6.41	594 843	24.6	.36	40
	NET OPERATING REVENUE - GAS	1 046 045	25.8	2.22	42 290	4.2	.29	41
	STATISTICS							42
	MCF Sales to Public and Other Utilities	5 216 500	10.9	xxx	553 649	11.9	xxx	43
	Sales - Inter-Company - This Group	-	-	xxx	-	-	xxx	44
	" " " " Other Groups	-	-	xxx	-	-	xxx	45
	Total All Sales	5 216 500	10.9	xxx	553 649	11.9	xxx	46
	Company Use - Elec. Gen. Stations	-	-	xxx	-	-	xxx	47
		-	-	xxx	-	-	xxx	48

1200	Residential	x x	-	-	-	-	-	-	-	7	
1201	Commercial	x x	-	-	-	-	-	-	-	3	
1202	Municipal & Other Public	x x	-	-	-	-	-	-	-	4	
1203	Industrial	x x	-	-	-	-	-	-	-	5	
1204	Other Public Utilities	x x	1 607 752	39.6	30.82	211 061	15.1	.87	-	6	
1205	Other Sales	x x	-	-	-	-	-	-	-	7	
	TOTAL		1 607 752	39.6	30.82	211 061	15.1	.87	-	8	
1208	Inter-Company Sales - This Group	24	-	-	-	-	-	-	-	9	
1209	Other Groups	24	-	-	-	-	-	-	-	10	
	TOTAL SALES - INTER-COMPANY		-	-	-	-	-	-	-	11	
	TOTAL REVENUE - GAS		1 607 752	39.6	30.82	211 061	15.1	.87	-	12	
	Other Gas Department Revenues	24	2 454 129	60.4	5.87	426 072	21.0	.14	-	13	
	TOTAL REVENUE		4 061 881	100.0	-	637 133	18.6	-	-	14	
	OPERATING EXPENSES									15	
	Gas Purchased - Inter-Co - This Group	25	-	-	-	-	-	-	-	16	
	Other Groups	25	-	-	-	-	-	-	-	17	
	TOTAL PURCHASED - INTER-CO		-	-	-	-	-	-	-	18	
	Gas Purchased - Others	25	1 467 338	36.1	24.80	249 200	20.5	3.50	-	19	
	Interchange of Gas - Net	25	-	-	-	-	-	-	-	20	
	Gas In or Out of Storage - Net	25	-	-	-	-	-	-	-	21	
	Purchased Gas Expense - Operation	25	720	-	-	202	39.0	-	-	22	
	Maintenance	25	-	-	-	-	-	-	-	23	
	Production - Operation	26-7	-	-	-	-	-	-	-	24	
	Maintenance	26-7	-	-	-	-	-	-	-	25	
	Transmission - Operation	28	409 190	10.1	.87	86 928	27.0	.07	-	26	
	Maintenance	28	70 230	1.7	.15	18 179	34.9	.02	-	27	
	Distribution - Operation	29	-	-	-	-	-	-	-	28	
	Maintenance	29	-	-	-	-	-	-	-	29	
	Customers Acc'tg & Collecting	30	-	-	-	-	-	-	-	30	
	Sales Promotion	30	17 156	.4	.04	10 143	144.6	.02	-	31	
	Administrative & General - Operation	31	148 240	3.7	.32	18 028	13.8	.01	-	32	
	Maintenance	31	300	-	-	215	252.9	-	-	33	
	Misc. Duplicate Charges - Credit	31	121 685	3.0	.26	2 542	20.5	.05	-	34	
	TOTAL OPERATION & MAINTENANCE		1 991 489	49.0	4.23	385 437	24.0	.22	-	35	
	Total Operation	31	1 920 959	47.3	4.08	367 043	23.6	.20	-	36	
	Total Maintenance	31	70 530	1.7	.15	18 394	35.3	.02	-	37	
	Prov. for Retirements & Depletion	31	380 000	9.4	.81	28 718	8.2	.07	-	38	
	Taxes - Federal	31	480 468	11.8	1.02	165 350	52.5	.23	-	39	
	Taxes - State and Other	31	163 879	4.0	.35	15 338	10.3	.02	-	40	
	TOTAL EXPENSES	31	3 015 836	74.2	6.41	594 843	24.6	.36	-	41	
	NET OPERATING REVENUE - GAS		1 046 045	25.8	2.22	42 290	4.2	.29	-	42	
STATISTICS											43
MCF Sales to Public and Other Utilities	51	5 216 500	10.9	x x x	553 649	11.9	x x x	-	-	44	
Sales Inter-Company - This Group	51	-	-	x x x	-	-	x x x	-	-	45	
Other Groups	51	-	-	x x x	-	-	x x x	-	-	46	
Total All Sales	51	5 216 500	10.9	x x x	553 649	11.9	x x x	-	-	47	
Company Use, Elec. Gen. Stations	51	-	-	x x x	-	-	x x x	-	-	48	
Other Company Use	51	486 500	1.0	x x x	96 451	24.7	x x x	-	-	49	
Other Miscellaneous	51	-	-	x x x	-	-	x x x	-	-	50	
xxxxxxx Panhandle, etc.	51	41 798 279	87.6	x x x	6 408 195	18.1	x x x	-	-	51	
TOTAL DELIVERIES	51	47 501 279	99.5	x x x	7 058 295	17.5	x x x	-	-	52	
MCF Purchased - Inter-Co - This Group	51	-	-	x x x	-	-	x x x	-	-	53	
Other Groups	51	-	-	x x x	-	-	x x x	-	-	54	
Purchased - Others	51	5 916 000	12.4	x x x	196 500	3.4	x x x	-	-	55	
Produced	51	-	-	x x x	-	-	x x x	-	-	56	
Interchanged - Net	51	-	-	x x x	-	-	x x x	-	-	57	
xxxxxxx Rec. for Panhandle	51	38 472 279	80.6	x x x	5 194 160	15.6	x x x	-	-	58	
xxxxxxx Received for Kentucky, etc.	51	3 326 000	7.0	x x x	1 214 035	57.5	x x x	-	-	59	
TOTAL GAS AVAILABLE FOR DELIVERIES	51	47 714 279	100.0	x x x	6 604 695	16.1	x x x	-	-	60	
UNACCOUNTED FOR - [ESTIMATED]	51	213 000	.5	x x x	453 600	68.0	x x x	-	-	61	

Two Places Second Decimal Point

(A) (B) (C) (D) (E) (F) (G)

† Two Places Beyond Decimal Point
 * Losses in Block

(A)

(B)

(C)

(D)

(E)

(F)

MICHIGAN GAS TRANSMISSION CORPORATION

DEDUCTIONS YEAR 1942

17

Acc't No.	Detail on Page	Amount	YEAR 1942	
			Amount	Percent
Estimated 12 Months			Increase over Actual	
MONTHS OF			12 Mo. Ended 10-31-41	
Ended 12-31-42				
INTEREST				
9571	Bonds	-	-	-
9572	Miscellaneous Long Term Debt	-	-	-
9573	Inter-Co. Notes & Loans This Group	-	-	-
9574	Other Groups	24A 499 230	2 967	.6
9575	Other Customers Deposits, Etc.	14 845	3 199	27.0
TOTAL INTEREST				
		514 075	192	-
9580	AMORTIZATION DEBT DISCOUNT AND EXPENSE	-	-	-
TOTAL FIXED CHARGES				
		514 075	192	-
9583	Miscellaneous Deductions	-	-	-
9585	Preferred Dividends Accrued or Guaranteed	-	-	-
9586	Rent for Lease of Utility Plant	-	-	-
TOTAL OTHER DEDUCTIONS				
		514 075	192	-
9587	LESS Interest Charged to Construction Credit	-	28 136	100.0
NET DEDUCTIONS FROM INCOME				
		514 075	28 328	5.8
MONTHS ENDED				
INTEREST				
9571	Bonds			
9572	Miscellaneous Long Term Debt			
9573	Inter-Co. Notes & Loans This Group			
9574	Other Groups			
9575	Other Customers Deposits, Etc.			
TOTAL INTEREST				
9580	AMORTIZATION DEBT DISCOUNT AND EXPENSE			
TOTAL FIXED CHARGES				
9583	Miscellaneous Deductions			
9585	Preferred Dividends Accrued or Guaranteed			
9586	Rent for Lease of Utility Plant			
TOTAL OTHER DEDUCTIONS				
9587	LESS Interest Charged to Construction Credit			
NET DEDUCTIONS FROM INCOME				
12 MONTHS ENDED				
INTEREST				
9571	Bonds			
9572	Miscellaneous Long Term Debt			
9573	Inter-Co. Notes & Loans This Group			
9574	Other Groups			
9575	Other Customers Deposits, Etc.			

9572	Miscellaneous Long Term Debt					
9573	Inter-Co. Notes & Loans - This Group					
9574	Other Groups	24A	499 230	2 901		
9575	Other - Customers Deposits, Etc.		14 845	3 159	27.0	8
						9
						10
	TOTAL INTEREST		514 075	192	-	11
9580	AMORTIZATION - DEBT DISCOUNT AND EXPENSE		-	-	-	12
	TOTAL FIXED CHARGES		514 075	192	-	13
9583	Miscellaneous Deductions		-	-	-	14
9585	Preferred Dividends Accrued or Guaranteed		-	-	-	15
9586	Rent for Lease of Utility Plant		-	-	-	16
						17
	TOTAL OTHER DEDUCTIONS		514 075	192	-	18
9587	LESS Interest Charged to Construction - Credit		-	28 146	100.0	19
						20
	NET DEDUCTIONS FROM INCOME		514 075	28 328	5.8	21
						22
						23
	INTEREST					24
9571	Bonds					25
9572	Miscellaneous Long Term Debt					26
9573	Inter-Co. Notes & Loans - This Group					27
9574	Other Groups					28
9575	Other - Customers Deposits, Etc.					29
						30
						31
	TOTAL INTEREST					32
9580	AMORTIZATION - DEBT DISCOUNT AND EXPENSE					33
	TOTAL FIXED CHARGES					34
9583	Miscellaneous Deductions					35
9585	Preferred Dividends Accrued or Guaranteed					36
9586	Rent for Lease of Utility Plant					37
						38
	TOTAL OTHER DEDUCTIONS					39
9587	LESS Interest Charged to Construction - Credit					40
						41
	NET DEDUCTIONS FROM INCOME					42
						43
						44
	INTEREST					45
9571	Bonds					46
9572	Miscellaneous Long Term Debt					47
9573	Inter-Co. Notes & Loans - This Group					48
9574	Other Groups					49
9575	Other - Customers Deposits, Etc.					50
						51
						52
	TOTAL INTEREST					53
9580	AMORTIZATION - DEBT DISCOUNT AND EXPENSE					54
	TOTAL FIXED CHARGES					55
9583	Miscellaneous Deductions					56
9585	Preferred Dividends Accrued or Guaranteed					57
9586	Rent for Lease of Utility Plant					58
						59
	TOTAL OTHER DEDUCTIONS					60
9587	LESS Interest Charged to Construction - Credit					61
						62
	NET DEDUCTIONS FROM INCOME					63

Acc't No.	Description	Estimated 12 Mos. Ended	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year
1215	Miscellaneous Other Revenue	12-31-42	Ended 10-31-41				
	Columbia Group:						
	Indiana Gas Distribution Corp.	58 519	12 911				
	The Ohio Fuel Gas Company	372	907				
	Total, Page 240	58 891	13 818				
9574	Interest-Inter-Company-Other Groups						
	Unassigned:						
	Columbia Gas & Electric Corp.						
	Page 17, Line 7	499 230	2 967				

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DETAIL OF INCOME ACCOUNTS

(A)

(B)

(C)

(D)

(E)

(F)

Exhibit 165

Account No.	Description	Estimated 12 Mo. Ended 12-31-42	Increase Over Previous Year Ended 10-31-41	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
	Other Gas Department Revenue							1
1210	Rent from Gas Property	780	65					2
1215	Miscellaneous Other Revenues							3
	Received from Michigan Consol- idated Gas Co.-Detroit							4
	M.C.F.	26 100 502	2 645 574					5
	Rate	34.32¢	1.56¢					6
	Amount	8 957 172	1 272 231					7
	Paid to Panhandle E.P.L.Co.							8
	M.C.F.	26 100 502	2 645 574					9
	Rate	27.25¢	1.05¢					10
	Amount	7 113 443	968 638					11
	Net Revenue - Detroit	1 843 729	303 593					12
	Received from Michigan Consol- idated Gas Co.-Ann Arbor							13
	M.C.F.	387 000	36 893					14
	Rate	35.18¢	2.52¢					15
	Amount	136 133	21 792					16
	Paid to Panhandle E.P.L.Co.							17
	M.C.F.	387 000	36 893					18
	Rate	27.84¢	1.71¢					19
	Amount	107 742	16 273					20
	Net Revenue - Ann Arbor	28 391	5 519					21
	Rec'd. from The Ohio Gas L.&C.Co.							22
	M.C.F.	147 500	3 608					23
	Rate	32.61¢	.13¢					24
	Amount	48 101	289					25
	Paid to Panhandle E.P.L.Co.							26
	M.C.F.	147 500	3 608					27
	Rate	26.09¢	.09¢					28
	Amount	38 478	804					29
	Net Revenue-The Ohio Gas Light	9 623	185					30
	Received from Central S.N.G.Co.							31
	M.C.F.	11 150	188					32
	Rate	32.75¢	.39¢					33
	Amount	3 652	17					34
	Paid to Panhandle E.P.L.Co.							35
	M.C.F.	11 150	188					36
	Rate	26.16¢	.24¢					37
	Amount	2 917	22					38
	Net Revenue - Central States	735	5					39
	Total Miscellaneous Other Revenue Carried Forward	1 882 478	309 302					40
	Total Other Gas Department Revenue Carried Forward	1 883 258	309 367					41

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DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMMonth of YEAR 1942
OPERATING BUDGET

Exhibit 165

Description	Estimated 12 Mos. Ended 12-31-42	Increase Over Previous Year Ended 10-31-41	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year
Total Other Gas Department Revenue Brought Forward	1 883 258	309 367				
Total Miscellaneous Other Revenue Brought Forward	1 882 478	309 302				
Received from Toledo Edison Co.						
M.C.F.	31 800	1 347				
Rate	30.634	.624				
Amount	9 755	225				
Paid to Panhandle E.P.L. Co.						
M.C.F.	31 800	1 347				
Rate	24.764	.134				
Amount	7 874	202				
Net Revenue - Toledo Edison	1 881	23				
Received from National Utilities						
M.C.F.	313 500	257 357				
Rate	27.364	3.054				
Amount	85 777	68 702				
Paid to Panhandle E.P.L. Co.						
M.C.F.	313 500	257 357				
Rate	22.314	2.264				
Amount	69 955	56 160				
Net Revenue - National Utilities	15 822	12 542				
Received from Western Ohio Public Service Co.						
M.C.F.	7 900	6 366				
Rate	30.974	2.294				
Amount	2 447	1 937				
Paid to Panhandle E.P.L. Co.						
M.C.F.	7 900	6 366				
Rate	24.954	1.834				
Amount	1 971	1 560				
Net Revenue - Western Ohio	476	377				
Total Miscellaneous Other Revenue Carried Forward	1 900 657	322 244				
Total Other Gas Department Revenue Carried Forward	1 901 437	322 309				

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DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMYEAR 1942
OPERATING BUDGET

Exhibit 165

Account No.	Description	Estimated 12 Mo. Ended	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
		12-31-42	Ended 10-31-41					1
	Total Other Gas Department Revenue Brought Forward	1 901 437	322 309					2
								3
								4
	Total Miscellaneous Other Revenue Brought Forward	1 900 657	322 244					5
								6
								7
	Received from Richmond Gas Corp.							8
	M.C.F.	140 000	133 438					9
	Rate	31.004	.944					10
	Amount	43 400	41 427					11
	Paid to Panhandle E.P.L. Co.							12
	M.C.F.	140 000	133 438					13
	Rate	25.004	.654					14
	Amount	35 000	33 402					15
	Net Revenue-Richmond Gas Corp.	8 400	8 025					16
	Received from Central Indiana Gas Company							17
	M.C.F.	9 674 010	1 953 570					18
	Rate	22.694	2.284					19
	Amount	2 194 729	266 887					20
	Paid to Panhandle E.P.L. Co.							21
	M.C.F.	9 674 010	1 953 570					22
	Rate	18.874	1.501					23
	Amount	1 825 162	248 013					24
	Net Revenue - Central Indiana	369 567	18 874					25
	Received from Indiana-Ohio Public Service Co.							26
	M.C.F.	121 500	2 677					27
	Rate	33.134	.724					28
	Amount	40 251	1 738					29
	Paid to Panhandle E.P.L. Co.							30
	M.C.F.	121 500	2 677					31
	Rate	26.444	.484					32
	Amount	32 124	1 282					33
	Net Revenue - Indiana-Ohio	8 127	456					34
	Public Service Co.							35
								36
								37
								38
	Total Miscellaneous Other Revenue Carried Forward	2 286 751	349 599					39
								40
								41
	Total Other Gas Department Revenue Carried Forward	2 287 531	349 664					42
								43
								44
								45
								46
								47

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DETAIL OF INCOME ACCOUNTS

(A)

(B)

(C)

(D)

(E)

(F)

Other Gas Department Revenue

Michigan Gas Transmission Corporation
COLUMBIA SYSTEMMICHIGAN YEAR 1942
OPERATING BUDGET

Exhibit 165

Acct No.	Description	Estimated 12 Mo. Ended 12-31-42	Increase Over Budget Year Ended 10-31-41	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
								1
								2
	Total Other Gas Department Revenue Brought Forward	2 287 531	349 664					3
								4
								5
	Total Miscellaneous Other Revenue Brought Forward	2 286 751	349 599					6
								7
								8
	Received from Lynn Natural Gas Co.							9
	M.C.F.	10 750	137					10
	Rate	33.374						11
	Amount	3 587						12
	Paid to Panhandle E.P. L. Co.							13
	M.C.F.	10 750	137					14
	Rate	26.604	1.064					15
	Amount	2 859	148					16
	Net Revenue-Lynn Natural Gas Co.	728						17
	Received from Pendleton N.G.Co.							18
	M.C.F.	17 201	41					19
	Rate	33.074						20
	Amount	5 688						21
	Paid to Panhandle E.P.L.Co.							22
	M.C.F.	17 201	41					23
	Rate	26.434						24
	Amount	4 543						25
	Net Revenue-Pendleton N.G.Co.	1 145						26
	Received from Town of Lapel, Ind.							27
	M.C.F.	8 200	922					28
	Rate	31.184						29
	Amount	2 557						30
	Paid to Panhandle E.P.L.Co.							31
	M.C.F.	8 200	922					32
	Rate	25.124	.594					33
	Amount	2 060	275					34
	Net Revenue-Town of Lapel, Ind.	497						35
	Received from Town of Montezuma, Indiana							36
	M.C.F.	1 809	133					37
	Rate	30.904						38
	Amount	559						39
	Paid to Panhandle E.P.L.Co.							40
	M.C.F.	1 809	133					41
	Rate	24.994						42
	Amount	452	33					43
	Net Revenue-Town of Montezuma	107						44
	Total Misc. Other Rev. Cr'd. Fwd.	2 289 228	345 016					45
	Total Other Gas Department Revenue Carried Forward	2 290 008	345 081					46
								47

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DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMYEAR 1942
OPERATING BUDGET

Description	Current Month	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
	17-2-42	Exhibit 16-30-41					1
Total Other Gas Department Revenue Brought Forward	2 290 008	345 081					2
							3
							4
Total Miscellaneous Other Revenue Brought Forward	2 289 228	345 016					5
							6
							7
Received from Town of Pittsboro, Indiana							8
M.C.F.	2 625	63					9
Rate	33.874	10.264					10
Amount	889	242					11
Paid to Panhandle E.P.L.Co.							12
M.C.F.	2 625	63					13
Rate	26.974	.864					14
Amount	708	39					15
Net Revenue-Town of Pittsboro	181	281					16
Received from Town of Hoachdale, Indiana							17
M.C.F.	2 455	65					18
Rate	33.034	10.744					19
Amount	811	235					20
Paid to Panhandle E.P.L.Co.							21
M.C.F.	2 455	65					22
Rate	26.444	1.924					23
Amount	649	63					24
Net Revenue-Town of Hoachdale	162	298					25
Received from Greenfield Gas Co.							26
M.C.F.	26 000	26 000					27
Rate	32.044	32.044					28
Amount	8 330	8 330					29
Paid to Panhandle E.P.L.Co.							30
M.C.F.	26 000	26 000					31
Rate	26.044	26.044					32
Amount	6 770	6 770					33
Net Revenue-Greenfield Gas Co.	1 560	1 560					34
							35
							36
Total Miscellaneous Other Revenue Carried Forward	2 291 131	345 997					37
							38
							39
Total Other Gas Department Revenue Carried Forward	2 291 911	346 062					40
							41
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DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMMONTHLY YEAR 1942
OPERATING BUDGET

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Acct No.	Description	Estimated 12 Mo. Ended 12-31-42	Increase Over Previous Year Ended 10-31-41	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year
	Total Other Gas Department Revenue Brought Forward	2 291 911	346 062				
	Total Miscellaneous Other Revenue Brought Forward	2 291 131	345 997				
	Received from Indiana Gas Distribution Corporation						
	M.C.F.	1 463 697	127 337				
	Rate	23.724	.154				
	Amount	347 213	28 196				
	Paid to Panhandle E.P.L.Co.						
	M.C.F.	1 463 697	127 337				
	Rate	19.724	1.194				
	Amount	288 694	41 107				
	Net Revenue-Indiana Gas	58 519	12 911				
	Received from Ohio Fuel Gas Co.						
	M.C.F.	4 680	1 180				
	Rate	37.314	10.484				
	Amount	1 746	1 055				
	Paid to Panhandle E.P.L.Co.						
	M.C.F.	4 680	1 180				
	Rate	29.364	3.394				
	Amount	1 374	748				
	Net Revenue-Ohio Fuel Gas Co.	372	907				
	Kentucky Natural Gas Corp.						
	M.C.F.	1 745 000	366 965				
	Rate	.694	.244				
	Amount	12 000	2 500				
	Battle Creek Gas Company						
	M.C.F.	288 000	288 000				
	Rate	6.004	6.004				
	Amount	17 280	17 280				
	Total Miscellaneous Other Revenue Carried Forward	2 379 302	351 959				
	Total Other Gas Department Revenue Carried Forward	2 380 082	352 024				

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DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMMICHIGAN YEAR 1942
OPERATING BUDGET

Exhibit 165

Acct No.	Description	Estimated 12 Mo. Ended 12-31-42	Increase Over Previous Year Ended 10-31-41	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
	Other Gas Department Revenue Brought Forward	2 380 082	352 024					1
	Total Miscellaneous Other Revenue Brought Forward	2 379 302	351 959					2
	Citizens Gas Fuel Company							3
	M.C.F.	36 000	36 000					4
	Rate	6.004	6.004					5
	Amount	2 160	2 160					6
	Consumers Power Company							7
	M.C.F.	1 257 000	1 257 000					8
	Rate	5.724	5.724					9
	Amount	71 887	71 887					10
	Total Miscellaneous Other Revenue	2 453 349	426 006					11
	Total Other Gas Department Revenue	2 454 129	426 071					12
								13
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								18
								19
								20
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DETAIL OF INCOME ACCOUNTS

Other Gas Department Revenue

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMYEAR 1942
OPERATING BUDGET

Description		Estimated Year Ended	Increase Over Previous Year	Months To Date	Increase Over Previous Year	Twelve Months To Date	Increase Over Previous Year	
		12-31-42	Ended 10-31-41					
2996	Taxes - Federal							1
	Income	254,069	34,690					2
	Excess Profits	209,859	130,211					3
	Capital Stock	12,500						4
	Old Age Benefit	3,090	712					5
	Unemployment Insurance	950	237					6
	Total, Page 4, Line 41	480,468	165,350					7
2997	Taxes - State and Other							8
	Franchise Delaware	175	-					9
	Property Indiana	130,000	12,242					10
	Property Ohio	11,000	527					11
	Property Michigan	14,000	471					12
	Unemployment Ins. Indiana)	8,704	2,098					13
	Unemployment Ins. Michigan)							14
	Total, Page 4, Line 42	163,879	15,338					15
	Total, Page 3, Line 14	644,347	180,688					16
								17
								18
								19
								20
								21
								22
								23
								24
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DETAIL OF INCOME ACCOUNTS

Tax Expense

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMDELETED YEAR 1942
OPERATING BUDGET

15368

DELIVERIES	CUSTOMERS	Est. 12 Months MCE			Months To Date	MCF			12 Months To Date	MCF			
		Current Month	Increase Over Previous Year	Percent Increase		Increase Over Previous Year	Percent Increase			Increase Over Previous Year	Percent Increase		
		Ended 12-31-42	Ended 10-31-41										1
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15369

GAS STATISTICS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMMICHIGAN YEAR 1942
OPERATING BUDGET

51

	Estimated MCF			MCF OR KWH			MCF OR KWH			
	12 Mos. Ended	Actual 12 Mo.	Avg. Rate	12 Months To Date	Increase Over Previous Year	Avg. Rate	12 Months To Date	Increase Over Previous Year	Avg. Rate	
DELIVERIES	12-31-42	Ended 10-31-41								1
Wholesale - Other Public Utilities										2
Kokomo Gas and Fuel Company	601 500	33 433	27.83							3
Northern Indiana Public Service Co.	2 005 000	299 459	32.34							4
Public Service Co. of Indiana	2 610 000	220 757	30.35							5
										6
Total, Page 51, Line 11	5 216 500	553 649	30.82							7
										8
Miscellaneous										9
Delivered for Panhandle E.P.L.Co.to										10
Michigan Consol.Gas Co.-Detroit	26 100 502	2 645 574	34.32							11
Michigan Consol.Gas Co.-Ann Arbor	387 000	36 893	35.18							12
The Ohio Gas, Light & Coke Co.	147 500	3 608	32.61							13
Central States Natural Gas Co.	11 150	188	32.75							14
The Toledo Edison Company	31 800	1 347	30.68							15
National Utilities Co. of Michigan	313 500	257 357	27.36							16
Western Ohio Public Service Co.	7 900	6 366	30.97							17
Richmond Gas Corporation	140 000	133 438	31.00							18
Central Indiana Gas Company	9 674 010	1 953 570	22.69							19
Indiana-Ohio Public Service Co.	121 500	2 677	33.13							20
Lynn Natural Gas Company	10 750	137	33.37							21
Pendleton Natural Gas Company	17 201	41	33.07							22
Town of Lapel, Indiana	8 200	922	31.18							23
Town of Montezuma, Indiana	1 809	133	30.90							24
Town of Pittsboro, Indiana	2 625	63	33.87							25
Town of Roachdale, Indiana	2 455	65	33.03							26
Greenfield Gas Company	26 000	26 000	32.04							27
Indiana Gas Distribution Corp.	1 463 697	127 337	23.72							28
The Ohio Fuel Gas Company	4 680	1 180	37.31							29
										30
Total, Page 51, Line 23	38 472 279	5 194 160	30.91							31
										32
Other Deliveries										33
Kentucky Natural Gas Corporation	1 745 000	366 965	.69							34
Battle Creek Gas Company	288 000	288 000	6.00							35
Citizens Gas Fuel Company	36 000	36 000	6.00							36
Consumers Power Company	1 257 000	1 257 000	5.72							37
										38
Total, Page 51, Line 24	3 326 000	1 214 035	3.11							39
										40
AVAILABLE FOR DELIVERY										41
Purchased Independents-Natural Gas										42
Panhandle Eastern Pipe Line Company										43
Page 51, Line 33	5 916 000	196 500	24.80							44
										45
										46
										47

DETAIL OF STATISTICS

MICHIGAN GAS TRANSMISSION CORPORATION
COLUMBIA SYSTEMYEAR 1942
OPERATING BUDGET

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Exhibit 165

	Estimated MCF			MCF OR KWH			MCF OR KWH			
	12 Mos. Ended	Actual 12 Mo.	Avg. Rate	12 Months To Date	Increase Over Previous Year	Avg. Rate	12 Months To Date	Increase Over Previous Year	Avg. Rate	
AVAILABLE FOR DELIVERY (Cont'd.)	12-31-42	Ended 10-31-41								1
Miscellaneous										2
Received from Panhandle E.P.L.Co. for										3
Michigan Consol. Gas Co.-Detroit	26 100 502	2 645 574	27.25							4
Michigan Consol. Gas Co.-Ann Arbor	387 000	36 893	27.84							5
The Ohio Gas, Light & Coke Company	147 500	3 608	26.09							6
Central States Natural Gas Company	11 150	188	26.16							7
The Toledo Edison Company	31 800	1 347	24.76							8
National Utilities Co. of Michigan	313 500	257 357	22.31							9
Western Ohio Public Service Co.	7 900	6 366	24.95							10
Richmond Gas Corporation	140 000	133 438	25.00							11
Central Indiana Gas Company	9 674 010	1 953 570	18.87							12
Indiana-Ohio Public Service Co.	121 500	2 677	26.44							13
Lynn Natural Gas Company	10 750	137	26.60							14
Pendleton Natural Gas Company	17 201	41	26.41							15
Town of Lapel, Indiana	8 200	922	25.12							16
Town of Montezuma, Indiana	1 809	133	24.99							17
Town of Pittsboro, Indiana	2 625	63	26.97							18
Town of Roachdale, Indiana	2 455	65	26.44							19
Greenfield Gas Company	26 000	26 000	26.04							20
Indiana Gas Distribution Corp.	1 463 697	127 337	19.72							21
The Ohio Fuel Gas Company	4 680	1 180	29.36							22
Total, Page 51, Line 44	38 472 279	5 194 160	24.80							23
Other Deliveries										24
Kentucky Natural Gas Corporation	1 745 000	366 965	-							25
Battle Creek Gas Company	288 000	288 000	-							26
Citizens Gas Fuel Company	36 000	36 000	-							27
Consumers Power Company	1 257 000	1 257 000	-							28
Total, Page 51, Line 45	3 326 000	1 214 035	-							29
										30
										31
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										34
										35
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Substituted Exhibit 166

INDIANA GAS TRANSMISSION CORPORATIONCERTAIN STATISTICAL DATA
YEARS 1931 TO 1935 INCLUSIVE

	1931		1932		1933		1934		1935	
	M.C.F.	Amount	M.C.F.	Amount	M.C.F.	Amount	M.C.F.	Amount	M.C.F.	Amount
Purchased from Panhandle Eastern Pipe Line Company:										
By Indiana Gas Transm. Corp.	265,077	\$ 47,713.86	1,834,120	\$330,141.60	1,611,437	\$290,058.66	1,726,349	\$310,742.82	2,369,654	\$426,537.
The Ohio Fuel Gas Co. Purchased: From Indiana Gas Transm. Corp.	12,212	2,747.70	215,048	48,385.81	55,384	12,461.41	84,034	18,907.67	315,984	71,096.
Indiana Gas Distr. Corp. Purchased: From Indiana Gas Transm. Corp.	-	-	1,521	760.25	7,428	3,714.00	13,029	6,514.50	25,279	12,639.
The Ohio Fuel Gas Co. Sold: To Indiana Gas Transm. Corp.	-	-	2,336	1,097.72	-	-	3,370	1,583.90	37,195	17,481.

*Revenues of Indiana Gas Transmission
 put into record by Mr Spitznagel
 March 3, 1947*

Exhibit 167

MICHIGAN CONSOLIDATED GAS COMPANY
DETROIT DISTRICTCHECKS, IN FAVOR OF THE MICHIGAN GAS TRANSMISSION CORPORATION,
DRAWN ON THE NATIONAL BANK OF DETROIT (EXCEPT AS NOTED)

Check Number	Date	Amount	Cancellation Date	Check Number	Date	Amount	Cancellation Date
35474	Aug. 20, 1936	\$ 5,856.61	Aug. 24, 1936	3126	Mar. 20, 1939	\$585,882.91	Mar. 21, 1939
35539	Sept. 21, 1936	30,378.18	Sept. 22, 1936	3429	Apr. 20, 1939	570,095.29	Apr. 21, 1939
37720	Oct. 20, 1936	110,641.17	Oct. 22, 1936	3683	May 19, 1939	528,571.89	May 22, 1939
38912	Nov. 20, 1936	258,668.13	Nov. 21, 1936	3935	June 20, 1939	429,799.15	June 21, 1939
40152	Dec. 21, 1936	385,075.41	Dec. 22, 1936	4209	July 20, 1939	388,072.68	July 21, 1939
41286	Jan. 20, 1937	307,881.32	Jan. 21, 1937	4498	Aug. 21, 1939	327,927.35	Aug. 22, 1939
(1) 284		100,000.00	Jan. 22, 1937	4830	Sept. 20, 1939	367,793.28	Sept. 21, 1939
42418	Feb. 20, 1937	375,591.26	Feb. 23, 1937	5161	Oct. 20, 1939	414,518.09	Oct. 23, 1939
43353	Mar. 20, 1937	395,973.05	Mar. 22, 1937	5478	Nov. 20, 1939	500,132.09	Nov. 21, 1939
44533	Apr. 20, 1937	317,876.40	Apr. 21, 1937	5778	Dec. 20, 1939	603,102.22	Dec. 21, 1939
45399	May 20, 1937	384,959.10	May 21, 1937	6068	Jan. 20, 1940	676,398.39	Jan. 22, 1940
46115	June 21, 1937	379,864.26	June 22, 1937	6401	Feb. 20, 1940	816,512.15	Feb. 21, 1940
47154	July 20, 1937	345,075.04	July 21, 1937	6734	Mar. 20, 1940	734,647.89	Mar. 21, 1940
48169	Aug. 20, 1937	265,970.29	Aug. 21, 1937	7034	Apr. 20, 1940	732,611.07	Apr. 22, 1940
49025	Sept. 20, 1937	323,841.30	Sept. 21, 1937	7310	May 20, 1940	619,609.77	May 21, 1940
49892	Oct. 20, 1937	365,818.82	Oct. 21, 1937	7592	June 20, 1940	520,460.67	June 21, 1940
50896	Nov. 20, 1937	425,278.73	Nov. 22, 1937	7813	July 20, 1940	420,413.88	July 22, 1940
51871	Dec. 20, 1937	456,260.74	Dec. 21, 1937	8042	Aug. 20, 1940	387,673.71	Aug. 21, 1940
(2) 2384	Jan. 20, 1938	150,000.00	Jan. 22, 1938	8174	Sept. 20, 1940	419,430.39	Sept. 23, 1940
52847		346,002.84	Jan. 21, 1938	8278	Oct. 21, 1940	470,037.86	Oct. 22, 1940
(2) 2506	Feb. 21, 1938	150,000.00	Feb. 24, 1938	8407	Nov. 20, 1940	562,758.15	Nov. 22, 1940
53458		372,993.27	Feb. 23, 1938	8536	Dec. 20, 1940	691,625.61	Dec. 23, 1940
53985	Mar. 21, 1938	465,590.87	Mar. 22, 1938	8627	Jan. 20, 1941	754,135.95	Jan. 21, 1941
54514	Apr. 20, 1938	141,791.48	Apr. 21, 1938	8726	Feb. 20, 1941	813,965.97	Feb. 21, 1941
55004	May 20, 1938	431,691.46	May 23, 1938	8840	Mar. 20, 1941	795,042.51	Mar. 21, 1941
55454	June 20, 1938	393,363.90	June 21, 1938	8937	Apr. 19, 1941	768,749.05	Apr. 21, 1941
55883	July 20, 1938	351,502.60	July 21, 1938	9033	May 20, 1941	640,714.79	May 21, 1941
56336	Aug. 19, 1938	287,597.32	Aug. 22, 1938	9137	June 20, 1941	569,684.77	June 23, 1941
384	Sept. 20, 1938	327,828.13	Sept. 21, 1938	9283	July 19, 1941	517,505.28	July 21, 1941
713	Oct. 20, 1938	388,810.87	Oct. 21, 1938	9525	Aug. 20, 1941	485,561.63	Aug. 21, 1941
1383	Nov. 21, 1938	353,553.71	Nov. 22, 1938	9654	Sept. 20, 1941	491,400.76	Sept. 22, 1941
(3) 1140		85,000.00	Nov. 23, 1938	9822	Oct. 20, 1941	527,902.25	Oct. 21, 1941
1913	Dec. 17, 1938	519,340.74	Dec. 17, 1938	9946	Nov. 19, 1941	628,651.73	Nov. 21, 1941
2588	Jan. 20, 1939	592,235.58	Jan. 21, 1939	10069	Dec. 20, 1941	749,420.01	Dec. 22, 1941
2603	Feb. 20, 1939	609,543.26	Feb. 21, 1939				

(1) Central Hanover Bank and Trust Company, New York, N.Y.

(2) Mellon National Bank, Pittsburgh, Pennsylvania

(3) The Manufacturers National Bank
of Detroit, Detroit, Michigan

Exhibit 139
STATISTICAL INFORMATION
DERIVED FROM EXHIBITS 101, 103 AND 164

OFFERED BY INTERVENOR (MICHIGAN CONSOLIDATED GAS COMPANY) AS A PART OF CROSS EXAMINATION OF FRED A. SPITZENAGLE

	1936 Indiana Gas Transmission Corp.			1936 Michigan Gas Transmission Corp.		
	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF
(1) Central Indiana Gas Company	407,636	\$126,269.21	30.976¢	2,176,474	\$ 654,113.96	30.054¢
(2) Indiana Gas Distribution Corp. (affiliated company)	8,950	4,475.00	50.000	369,079	105,164.50	28.494
(3) Indiana-Ohio Public Service Company	17,154	8,577.00	50.000	43,847	21,923.50	50.000
(4) Kentucky Natural Gas Corporation	-	-	-	3,507	929.36	26.500
(5) Kokomo Gas and Fuel Company	-	-	-	-	-	-
(6) Lynn Natural Gas Company	-	-	-	2,388	1,194.00	50.000
(7) Michigan Consolidated Gas Company - Ann Arbor	-	-	-	-	-	-
(8) Northern Indiana Public Service Company	-	-	-	-	-	-
(9) The Ohio Fuel Gas Company (affiliated company)	930,820	209,434.51	22.500	1,837,015	407,672.90	22.192
(10) Pendleton Natural Gas Company	4,118	2,264.90	55.000	5,261	2,893.55	55.000
(11) Public Service Company of Indiana	61,755	21,991.40	35.611	375,725	128,703.00	34.255
(12) Town of Lapel, Indiana	-	-	-	985	488.85	49.629
(13) Town of Montezuma, Indiana	113	58.80	52.035	733	368.10	50.218
(14) Town of Pittsboro, Indiana	-	-	-	336	178.15	53.021
(15) Town of Roachdale, Indiana	-	-	-	171	89.55	52.368
(16) Total	1,430,546	\$373,070.82	26.079¢	4,815,521	\$1,323,719.42	27.469¢
Less - The Ohio Fuel Gas Company (affiliated company)	930,820	209,434.51	22.500	1,837,015	407,672.90	22.192
Total	499,726	\$163,636.31	32.745¢	2,978,506	\$ 916,046.52	30.755¢
Less - Indiana Gas Distribution Corp. (affiliated company)	8,950	4,475.00	50.000	369,079	105,164.50	28.494
Total	490,776	\$159,161.31	32.431¢	2,609,427	\$ 810,882.02	31.075¢

Data from

Percentage Increase or Decrease of Sales of
Corporation for years 1937 to 1941 in
Revenue and Revenue per MCF over the
sales of Indiana Gas Transmission Cor

Year	Sales MCF
1937	93.76%
1938	111.56
1939	194.90
1940	225.69
1941	324.03
	Minus sign

1936					1937			1938		
Total 1936										
Gas Transmission Corp.										
Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per
\$ 654,113.96	30.054	2,584,110	\$ 780,383.17	30.199	4,882,723	\$1,284,719.35	26.312	3,941,546	\$1,044,098.61	26.4
105,164.50	28.494	378,029	109,639.50	29.003	1,057,827	292,710.30	27.671	1,114,456	308,764.98	27.7
21,923.50	50.000	61,001	30,500.50	50.000	57,209	28,604.50	50.000	75,782	37,891.00	50.00
929.36	26.500	3,507	929.36	26.500	2,154	570.81	26.500	3,425	907.63	26.50
-	-	-	-	-	26,330	7,978.32	30.301	274,712	70,105.39	25.52
1,194.00	50.000	2,388	1,194.00	50.000	8,558	4,244.35	49.595	8,030	4,002.05	49.82
-	-	-	-	-	139,983	43,108.77	30.796	928,537	288,190.35	31.02
407,672.90	22.192	2,767,835	617,107.41	22.296	13,185	4,023.30	30.514	7,598	2,749.60	36.18
2,893.55	55.000	9,379	5,158.45	55.000	12,383	6,616.90	53.435	11,066	5,861.70	52.97
128,703.00	34.255	437,480	150,694.40	34.446	868,751	260,632.35	30.000	1,307,070	395,333.86	30.24
488.85	49.629	985	488.85	49.629	6,111	2,911.90	47.650	4,922	2,481.15	50.40
368.10	50.218	846	426.90	50.461	748	391.75	52.373	847	445.90	52.64
178.15	53.021	336	178.15	53.021	869	457.40	52.635	1,135	599.80	52.84
89.55	52.368	171	89.55	52.368	1,223	646.90	52.895	1,609	839.50	52.17
\$1,323,719.42	27.489	6,246,067	\$1,696,790.24	27.166	7,078,054	\$1,937,616.90	27.375	7,680,735	\$2,162,271.52	28.15
407,672.90	22.192	2,767,835	617,107.41	22.296	13,185	4,023.30	30.514	7,598	2,749.60	36.18
\$ 916,046.52	30.755	3,478,232	\$1,079,682.83	31.041	7,064,869	\$1,933,593.60	27.369	7,673,137	\$2,159,521.92	28.14
105,164.50	28.494	378,029	109,639.50	29.003	1,057,827	292,710.30	27.671	1,114,456	308,764.98	27.705
\$ 810,882.02	31.075	3,100,203	\$ 970,043.33	31.290	6,007,042	\$1,640,883.30	27.316	6,558,681	\$1,850,756.94	28.218

Increase or Decrease of Sales of Natural Gas of Michigan Gas Transmission Corporation for years 1937 to 1941 inclusive to non-affiliates, with responsive value and Revenue per MCF over those of the year 1936 (including in that year of Indiana Gas Transmission Corporation merged March 1, 1936).

Year	Sales MCF	Revenue	Revenue per MCF
1937	93.76%	69.16%	-12.70%
1938	111.56	90.79	- 9.82
1939	194.90	154.01	-13.86
1940	225.69	190.44	-10.82
1941	324.03	268.68	-13.06

Minus sign (-) denotes decrease.

1938			1939			1940			Twelve Months Ended	
Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue
3,941,546	\$1,044,098.61	26.490%	5,553,472	\$1,404,669.99	25.293%	5,880,115	\$1,505,648.21	25.606%	6,781,787	\$1,720,12
1,114,456	308,764.98	27.705	1,207,492	336,028.68	27.829	1,261,400	335,721.70	26.615	1,342,869	336,28
75,782	37,891.00	50.000	93,689	42,946.20	45.839	121,697	44,944.83	36.932	118,522	40,39
3,425	907.63	26.500	-	-	-	-	-	-	-	-
274,712	70,105.39	25.520	404,261	104,300.59	25.815	500,198	137,720.74	27.533	545,707	151,17
8,030	4,002.05	49.839	8,225	4,179.05	50.809	10,657	5,247.90	49.244	10,433	4.89
-	-	-	60,759	18,433.41	30.339	-	-	-	-	-
928,537	288,190.35	31.037	1,205,744	355,026.73	29.445	1,476,694	466,016.25	31.558	1,584,554	523,28
7,598	2,749.60	36.188	5,504	2,752.00	50.000	6,553	3,276.50	50.000	5,968	2,95
11,066	5,861.70	52.970	10,409	5,544.70	53.268	15,650	8,115.15	51.854	15,713	8,19
1,307,070	395,333.86	30.246	1,795,751	523,663.90	29.161	2,080,820	643,866.35	30.943	2,275,071	688,08
4,922	2,481.15	50.409	5,112	2,613.25	51.120	4,894	2,543.30	51.968	5,237	2,90
847	445.90	52.645	1,163	609.95	52.446	1,557	813.65	52.258	1,653	86
1,135	599.80	52.846	1,778	931.20	52.373	2,469	1,274.80	51.632	2,461	1,21
1,609	839.50	52.175	2,043	1,058.75	51.823	2,225	1,161.85	52.218	2,313	1,14
7,680,735	\$2,162,271.52	28.152%	10,355,402	\$2,802,818.40	27.066%	11,564,929	\$3,156,351.23	27.775%	12,692,888	\$3,481,52
7,598	2,749.60	36.188	5,504	2,752.00	50.000	6,553	3,276.50	50.000	5,968	2,95
7,673,137	\$2,159,521.92	28.144%	10,349,898	\$2,800,066.40	27.054%	11,358,376	\$3,153,074.73	27.760%	12,686,920	\$3,478,57
1,114,456	308,764.98	27.705	1,207,492	336,028.68	27.829	1,261,400	335,721.70	26.615	1,342,869	336,28
6,558,681	\$1,850,756.94	28.218%	9,142,406	\$2,464,037.72	26.952%	10,096,976	\$2,817,363.03	27.903%	11,344,051	\$3,142,28

Twelve Months Ended June 30, 1941

1941

Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF
5.606	6,781,787	\$1,720,127.85	25.364	8,142,040	\$2,026,732.36	24.892
6.615	1,342,869	336,282.67	25.042	1,306,394	320,181.22	24.509
6.932	118,522	40,397.05	34.084	122,887	40,941.62	33.316
7.533	545,707	151,177.26	27.703	567,666	158,083.62	27.848
9.244	10,433	4,891.54	46.885	10,681	4,181.02	39.144
11.558	1,584,554	523,285.12	33.024	1,793,964	591,156.50	32.953
10.000	5,968	2,951.60	49.457	5,827	2,638.21	45.276
11.854	15,713	8,197.10	52.168	17,639	9,166.35	51.966
10.943	2,275,071	688,082.41	30.244	2,476,459	740,175.33	29.888
11.968	5,837	2,904.67	49.763	7,646	2,949.31	38.573
12.258	1,653	866.10	52.396	1,662	872.95	52.524
11.632	2,461	1,217.16	49.458	2,704	1,100.28	40.691
12.219	2,313	1,143.19	49.438	2,444	984.44	40.280
17.775	12,692,868	\$3,481,524.01	27.429	14,458,013	\$3,899,163.21	26.969
10.000	5,968	2,951.60	49.457	5,827	2,638.21	45.276
17.760	12,686,920	\$3,478,572.41	27.419	14,452,186	\$3,896,525.00	26.961
6.615	1,342,869	336,282.67	25.042	1,306,394	320,181.22	24.509
7.903	11,344,051	\$3,142,259.74	27.700	13,145,792	\$3,576,343.78	27.205

Exhibit 169

STATISTICAL INFORMATION
DERIVED FROM EXHIBITS 101, 103 AND 164

OFFERED BY INTERVENOR (MICHIGAN CONSOLIDATED GAS
COMPANY) AS A PART OF CROSS EXAMINATION OF FRED
A. SPITZNAGLE.

	1936 Indiana Gas Transmission Corp.			1936 Michigan Gas Transmission Corp.		
	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF
(1) Central Indiana Gas Company	407,636	\$126,269.21	30.976¢	2,176,474	\$654,113.96	30.054¢
(3) Indiana-Ohio Public Service Company	17,154	8,577.00	50.000	43,847	21,923.50	50.000
(10) Pendleton Natural Gas Company	4,118	2,264.90	55.000	5,261	2,893.55	55.000
(11) Public Service Company of Indiana	61,755	21,991.40	35.611	375,725	128,703.00	34.255
(13) Town of Montezuma, Indiana	113	58.80	52.035	733	368.10	50.218
Total	490,776	\$159,161.31	32.431¢	2,602,040	\$808,002.11	31.053¢

Percentage
Transmissi
for years
throughout
over the s
natural ga

1936			Total 1936			1937			1938	
Michigan Gas Transmission Corp.										
Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue
76,474	\$654,113.96	30.0544	2,584,110	\$780,383.17	30.1934	4,882,723	\$1,284,719.35	26.3124	3,941,546	\$1,044,098
43,647	21,923.50	50.000	61,001	30,500.50	50.000	57,209	28,604.50	50.000	75,782	37,891
5,261	2,893.55	55.000	9,379	5,158.45	55.000	12,383	6,616.90	53.435	11,066	5,861
575,725	128,703.00	34.255	437,480	150,694.40	34.446	868,751	260,632.35	30.000	1,307,070	395,333
733	368.10	50.218	846	426.90	50.461	748	391.75	52.373	847	445
302,040	\$808,002.11	31.0534	3,092,816	\$967,163.42	31.2714	5,821,814	\$1,580,964.85	27.1564	5,336,311	\$1,483,631

Percentage Increase or Decrease of Sales of Natural Gas of Michigan Gas Transmission Corporation (including Indiana Gas Transmission Corporation) for years 1937 to 1941, inclusive, to all non-affiliated customers served throughout the year 1936, with responsive revenues and Revenue per MCF, over the sales to the same customers in 1936, (all having been served with natural gas continuously since 1936).

Year	Sales MCF	Revenue	Revenue Per MCF
1937	88.24%	63.46%	-13.16%
1938	72.54	53.40	-11.09
1939	141.03	104.46	-15.17
1940	161.89	127.82	-13.01
1941	247.93	191.36	-16.26

Minus sign (-) denotes decrease.

	1938			1939			1940			Two
	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sales MCF	Revenue	Revenue per MCF	Sal
124	3,941,546	\$1,044,098.61	26.4904	5,553,472	\$1,404,669.99	25.2934	5,880,115	\$1,505,648.21	25.6064	6,7
00	75,782	37,891.00	50.000	93,689	42,946.20	45.839	121,097	44,944.83	36.932	1
35	11,066	5,861.70	52.970	10,409	5,544.70	53.269	15,650	8,115.15	51.854	
00	1,307,070	395,333.86	30.246	1,795,751	523,663.90	29.161	2,080,820	643,866.35	30.943	2,2
73	847	445.90	52.645	1,163	609.95	52.446	1,557	813.65	52.258	
664	5,336,311	\$1,483,631.07	27.8034	7,454,484	\$1,977,434.74	26.5274	8,099,839	\$2,203,380.19	27.2034	9,7

Percentage Decrease in Revenue per MCF derived by Michigan Gas Transmission Corporation from Sales of Natural Gas to Non-affiliated Customers in 1941 under the Revenue per MCF obtained by Indiana Gas Transmission Corporation from the same non-affiliated customers in 1936 - - - - -

19.25%

Twelve Months Ended June 30, 1941

<u>mc</u>	<u>Revenue per MCF</u>	<u>Sales MCF</u>	<u>Revenue</u>	<u>Revenue per MCF</u>
,648.21	25.6064	6,781,787	\$1,720,127.85	25.3644
,944.83	36.332	118,522	40,397.05	34.084
,115.15	51.854	15,713	8,197.10	52.168
,866.35	30.943	2,275,071	688,082.41	30.244
813.65	52.258	1,653	866.10	52.396
,382.19	27.2034	9,192,746	\$2,457,670.51	26.7354

1941

<u>Sales MCF</u>	<u>Revenue</u>	<u>Revenue per MCF</u>
8,142,040	\$2,026,732.36	24.8924
122,887	40,941.62	33.316
17,639	9,166.35	51.966
2,476,459	740,175.33	29.866
1,662	872.95	52.524
10,760,687	\$2,817,888.61	26.1874

[fol. 15378]

Exhibit 170.

Certificate

Setting Forth the Designation and Certain of the Terms
of the

5.60% Cumulative Preferred Stock

of

Panhandle Eastern Pipe Line Company

Pursuant to Section 13 of Chapter 65 of the Revised Code
as Amended, of the State of Delaware

(Filed February 3, 1942)

[fol. 15379]

Certificate

Setting Forth the Designation and Certain of the Terms
of the

5.60 Cumulative Preferred Stock

of

Panhandle Eastern Pipe Line Company

We, the undersigned, J. D. Creveling and Leith V. Watkins, President and Secretary, respectively, of Panhandle Eastern Pipe Line Company (hereinafter called the corporation), hereby certify as follows, pursuant to Section 13 of Chapter 65 of the Revised Code, as amended, of the State of Delaware:

1. The Certificate of Incorporation of the corporation, as amended, authorizes the issuance of 250,000 shares of Cumulative Preferred Stock in series, with variations, as may be determined by the Board of Directors of the corporation prior to the issue thereof, as to (1) the rate of dividend, the dividend payment dates and the manner and medium of payment thereof and the dates from which the dividends shall commence to accrue, (2) the amount payable upon redemption, (3) the amount payable upon any voluntary liquidation, dissolution or winding up of the corporation, or any voluntary distribution of assets by way of return of capital, (4) the provisions of the sinking fund,

if any, (5) the terms and rates of conversion and or exchange, if convertible and or exchangeable, (6) the provisions of the rights or options, if any, to purchase any shares of capital stock of any class or classes of the corporation, (7) the provisions, if any, as to payment or refund of taxes and (8) the provisions as to voting rights, if any (in addition to the voting rights given in Subdivisions VI and VII of Section B of Article Fourth the Certificate of Incorporation, as amended, to all Cumulative Preferred Stock); but the stock of each series of Cumulative Preferred Stock shall, in all other respects, be alike; and the shares of each such series shall be alike with all other shares of the same series in all respects except as to the dates from which dividends shall commence to accrue.

II. The Board of Directors of the corporation, at a meeting duly called and held at the offices of the corporation, 90 [fol. 15386] Broad Street, New York, New York, on the 2nd day of February, 1942, at which meeting a majority and quorum of the directors were present and acting throughout, did duly adopt the following resolutions authorizing the creation of a series of Cumulative Preferred Stock to be known as "5.60% Cumulative Preferred Stock", stating that 150,000 shares of the authorized and unissued Cumulative Preferred Stock shall belong to such series and setting forth a statement of the designations, powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of the 5.60% Cumulative Preferred Stock which have not been set forth in the Certificate of Incorporation of the corporation, as amended:

Resolved that 150,000 shares of authorized but unissued Cumulative Preferred Stock of the corporation be and hereby are determined to be and shall be of a series hereby designated as "5.60% Cumulative Preferred Stock"; and

Resolved that the following is a statement of the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of such series which have not been set forth in the Certificate of Incorporation, or any amendment thereto:

1. The rate of dividend payable on the shares of 5.60% Cumulative Preferred Stock shall be 5.60% per annum; such dividend shall be payable in cash; and the dividend payment dates for such series shall be the first days of January, April, July and October.

2. The amount payable upon redemption of the 5.60% Cumulative Preferred Stock (other than redemption through operation of the sinking fund, as provided in Subdivision 4 below) shall be \$108 per share, plus accrued dividends.

3. The amount to be paid to the 5.60% Cumulative Preferred Stock upon any voluntary liquidation, dissolution or winding up of the corporation, or any voluntary distribution of assets by way of return of capital, shall be \$108 per share, plus accrued dividends.

4. The 5.60% Cumulative Preferred Stock shall be entitled to the benefit of sinking funds as set forth in this Subdivision 4. On April 1, 1942, the corporation shall make [66,153.81] available (by depositing in a segregated account) the sum of \$100,000, and on April 1st in each year thereafter (hereinafter in this Subdivision 4 called "sinking fund payment date") so long as any shares of the 5.60% Cumulative Preferred Stock remain outstanding, the corporation shall make available (by depositing in a segregated account)

(1) a sum hereinafter in this Subdivision 4 sometimes called the "fixed sinking fund") sufficient to redeem at the sinking fund redemption price (hereinafter specified) on the 1st day of July next succeeding the sinking fund payment date, $1\frac{1}{2}\%$ of the largest amount of 5.60% Cumulative Preferred Stock at any time outstanding prior to the sinking fund payment date; and

(2) a sum (hereinafter in this Subdivision 4 sometimes called the "contingent sinking fund") equal to the lesser of (a) a sum sufficient to redeem at the sinking fund redemption price on the 1st day of July next succeeding the sinking fund payment date, 2% of the largest amount of 5.60% Cumulative Preferred Stock at any time outstanding prior to the sinking fund payment date, or (b) a sum equal to the balance of earnings applicable to the contingent sinking fund (computed as hereinafter provided) for the twelve months period ended on the December 31st next preceding the sinking fund payment date.

The term "balance of earnings applicable to the contingent sinking fund", as used in clause (2) of this Subdivision 4, shall mean the consolidated net earnings of the corporation

and its subsidiaries after deductions of all charges of a proper character, including (but without being limited thereto) operating expenses, interest, expenditures for ordinary maintenance, appropriations for reserves for depreciation, depletion and amortization and for amortization of intangible property, taxes (including income and excess profits taxes), dividends accrued and or paid on the Cumulative Preferred Stock and the Preferred Stock in respect of the period of computation, and the sum paid during the period of computation to the fixed sinking fund under clause (1) of this Subdivision 4 (not including, however, [fol. 15382] any sum so paid on account of default in the fixed sinking fund prior to the period of computation) or the sum of \$100,000 in the case of any computation of the balance of earnings applicable to the contingent sinking fund for the twelve months' period ended December 31, 1942.

The corporation shall have the right to anticipate at any time or from time to time all or any part of any sinking fund payments (a) by delivering to the sinking funds shares of 5.60% Cumulative Preferred Stock which, after being outstanding, have been purchased or otherwise acquired by the corporation and have not previously been surrendered to the sinking funds, or (b) by redeeming shares of 5.60% Cumulative Preferred Stock at the price set forth in Subdivision 2 hereof, provided no previous sinking fund credit has been taken in respect of the shares so redeemed. To the extent that the corporation shall at any time so anticipate sinking fund payments the corporation shall be entitled to credit on account of the aggregate amount of all sinking fund payments then becoming due and thereafter to become due for an amount equal to the aggregate sinking fund redemption price of all shares so surrendered to the sinking fund or so redeemed, such credits to be applied on such sinking fund payments in such order as the corporation may elect.

Subject to the provisions of Subdivision X of Section B of Article Fourth of the Certificate of Incorporation of the corporation and to the provisions of Subdivision 6 hereof, all moneys in the sinking funds shall be applied by the corporation, from time to time, as soon as reasonably practicable after payment thereof into the sinking funds, to the purchase of 5.60% Cumulative Preferred Stock at

private sale or in the open market, with or without advertising for tenders, at the best prices obtainable by the corporation considering the amount purchased, but at a cost (including accrued dividends and customary brokerage paid) not exceeding the sinking fund redemption price thereof, all as the corporation shall determine. If on or before May 31st next succeeding any sinking fund payment date, the corporation shall not be able to purchase shares of 5.60% Cumulative Preferred Stock in amount [fol. 15383] sufficient to exhaust the moneys in such sinking funds, then the moneys in such sinking funds not applied to the purchase of shares of 5.60% Cumulative Preferred Stock as aforesaid shall be applied by the corporation to redemption on the next succeeding July 1st, of shares of 5.60% Cumulative Preferred Stock, to be selected by lot, at the sinking fund redemption price.

Shares of 5.60% Cumulative Preferred Stock (determined by lot as above provided) may be redeemed, at the option of the Board of Directors of the corporation, at a redemption price (herein sometimes referred to as the "sinking fund redemption price") of \$105 per share, plus accrued dividends. The provisions of Subdivision IV of Section B of Article Fourth of the Certificate of Incorporation of the corporation, to the extent not in conflict with the provisions of this Subdivision 4, shall be applicable to any redemption of shares pursuant to this Subdivision 4.

No 5.60% Cumulative Preferred Stock purchased or redeemed for, or surrendered to, the sinking funds shall be reissued or otherwise disposed of, and no Cumulative Preferred Stock shall be issued in lieu thereof, and the corporation may from time to time cause all such shares to be retired in the manner provided by law. Whenever no shares of 5.60% Cumulative Preferred Stock shall remain outstanding, any balance remaining in the sinking funds shall become a part of the general funds of the corporation.

If, while any of the 5.60% Cumulative Preferred Stock shall be outstanding, there shall be created any other series of Cumulative Preferred Stock having a sinking fund (fixed or contingent, or both) which provides for the retirement of shares of such other series at a more rapid rate than the retirement of shares of 5.60% Cumulative Preferred Stock is provided for under the provisions of the sinking funds hereinbefore created in this Subdivision

4, then the sinking fund requirements for the 5.60% Cumulative Preferred Stock hereinbefore set forth in this Subdivision 4 shall be forthwith increased so as to provide thenceforth for the retirement of shares of 5.60% Cumulative Preferred Stock at a rate as rapid as that provided for in the sinking fund for such new series.

5. So long as any shares of 5.60% Cumulative Preferred Stock are outstanding, the corporation shall not, without the affirmative vote at a meeting (the notice of which shall state the general character of the matters to be submitted thereat), or the written consent with or without a meeting, of the holders of at least two-thirds of the then outstanding shares of 5.60% Cumulative Preferred Stock:

(A) issue or sell any Cumulative Preferred Stock or any class of stock ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets or any class of stock or obligations convertible into or evidencing a right to purchase any stock of any class ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets, if the consolidated net earnings of the corporation and of all the subsidiaries available for interest and dividends, for a period of twelve (12) consecutive calendar months ending within ninety (90) days immediately preceding such issue or sale, shall amount to less than one and one-half times the sum of (a) the aggregate consolidated annual interest requirements on all indebtedness of the corporation and its subsidiaries, to be outstanding after giving effect to the proposed issue or sale of such additional securities, and (b) the aggregate annual dividend requirements on all shares of Cumulative Preferred Stock and on all other classes of stock of the corporation ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets and on stock of all classes of subsidiaries not owned by the corporation ranking prior to the common stock of such subsidiaries in respect of dividends or assets, to be outstanding after giving effect to such proposed issue or sale of such additional securities, or

(B) issue or sell any Cumulative Preferred Stock or any class of stock ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets:

[fol. 15385] (1) if the consolidated net earnings of the corporation and of all the subsidiaries available for dividends, for a period of twelve (12) consecutive calendar months ending within ninety (90) days immediately preceding such issue or sale, shall amount to less than two times the annual dividend requirements on all shares of Cumulative Preferred Stock and on all other classes of stock of the corporation ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets and on stock of all classes of subsidiaries not owned by the corporation ranking prior to the common stock of such subsidiaries in respect of dividends or assets, to be outstanding after giving effect to such proposed issue or sale of such additional stock; or

(2) if as a result of the issuance or sale of such shares the aggregate par value, or if such stock has no par value the preference on involuntary liquidation, of all shares of Cumulative Preferred Stock, and of all stock ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets, to be outstanding after giving effect to such proposed issue or sale of such additional stock would exceed the sum of (a) the total capital of the corporation represented by then outstanding shares of Common Stock and any other stock ranking junior to the Cumulative Preferred Stock in respect of dividends and assets and (b) the surplus of the corporation as then stated on its books of account.

The foregoing provisions of this Subdivision 5 shall not apply to the initial issuance and sale of the first 150,000 shares of Cumulative Preferred Stock issued and sold.

For the purpose of the foregoing provisions of this Subdivision 5, the "consolidated net earnings of the corporation and of all the subsidiaries available for interest and dividends" shall be ascertained, with intercompany items eliminated, as follows: From the total of the operating revenues (including rentals), of the corporation and of all [fol. 15386] the subsidiaries plus the net non-operating earnings of the corporation and of all the subsidiaries (excluding profits derived from the appreciation in value or from the sale or other disposition of real estate, plants, equipment or other capital assets), there shall be deducted all operating expenses of the corporation and the

subsidiaries (excluding from operating expenses (a) all charges for interest and (b) amortization of debt discount and expenses, but including all rentals, insurance, expenditures for current maintenance and taxes) and also deducted appropriations for reserves for depreciation, depletion and amortization and for amortization of intangible property, and the balance shall constitute the consolidated net earnings of the corporation and of all the subsidiaries available for interest and dividends; provided, however, that for the purposes of this paragraph the net non-operating earnings of the corporation and of all the subsidiaries shall not be included in such consolidated net earnings of the corporation and of all the subsidiaries available for interest and dividends except in an aggregate amount not in excess of twenty per cent. (20%) of said consolidated net earnings of the corporation and of all the subsidiaries available for interest and dividends.

For the purpose of the foregoing provisions of this Subdivision 5, the "consolidated net earnings of the corporation and of all the subsidiaries available for dividends" shall be computed in the same manner as the computation is made pursuant to the provisions of the next preceding paragraph hereof of the consolidated net earnings of the corporation and of all the subsidiaries available for interest and dividends, except that there shall be deducted from total revenues, in addition to the other deductions provided for in said preceding paragraph, an amount equal to all interest paid or accrued in respect of the period of computation and amortization of debt discount and expense for such period.

In case, within or after the period for which the calculation of consolidated net earnings is made pursuant to the provisions of this Subdivision, the corporation or a subsidiary shall have acquired any properties or shall have been consolidated or merged with any corporation, and such state of facts still exists at the date of the calculation, then in computing such consolidated net earnings [fol. 15387] there shall be included, to the extent the same may not have been otherwise included, the net earnings derived from the operation of the properties acquired or the properties of such other corporation, as the case may be, for the whole of such period. Such consoli-

dated net earnings shall be ascertained and computed, as in this Subdivision provided, as if such properties had been owned and operated by the corporation or a subsidiary during the whole of such period.

6. So long as any shares of the 5.60% Cumulative Preferred Stock are outstanding, the Company shall not, without written consent of the holders of a majority of the then outstanding shares of 5.60% Cumulative Preferred Stock or, in the alternative and subject to the proviso hereinafter set forth in this Subdivision 6, the affirmative vote, at a meeting (the notice of which shall state the general character of the matters to be submitted thereat) at which there is a quorum as defined below in this Subdivision 6, of the holders of a majority of the then outstanding shares of 5.60% Cumulative Preferred Stock which are represented at such meeting by the attendance of the holders thereof in person or by proxy, purchase or redemption of shares of Cumulative Preferred Stock or of any other stock ranking on a parity with or prior to the Cumulative Preferred Stock in respect of dividends or assets, during the continuance of any default in the payment of dividends on the 5.60% Cumulative Preferred Stock; provided, however, that if, at any such meeting, at least one-third of all shares of such 5.60% Cumulative Preferred Stock then outstanding shall be voted against the action then proposed of the character aforesaid, such action may be taken only with the affirmative vote of the holders of a majority of the then outstanding shares of 5.60% Cumulative Preferred Stock.

At any meeting of such 5.60% Cumulative Preferred Stock for the purpose of taking action on matters set forth in this Subdivision 6, the presence in person or by proxy of the holders of a majority of the shares of such stock then outstanding shall constitute a quorum except that if the presence of such a majority shall not have been obtained [fol. 15388] and shall not be obtained for a period of thirty days from the date of such meeting, the presence in person or by proxy of the holders of one-third of the shares of such stock then outstanding shall be sufficient to constitute a quorum.

7. So long as any shares of 5.60% Cumulative Preferred Stock are outstanding, the corporation shall not, without

the affirmative vote at a meeting (the notice of which shall state the general character of the matters to be submitted thereat), or the written consent with or without a meeting, of the holders of at least two-thirds of the then outstanding shares of 5.60% Cumulative Preferred Stock,

(a) issue, assume or guarantee any unsecured notes, debentures or other securities representing unsecured indebtedness (hereinafter in this Subdivision 7 collectively referred to as "unsecured securities") for any purpose other than the redemption or other retirement of all the then outstanding shares of 5.60% Cumulative Preferred Stock and/or all the then outstanding shares of Class B Preferred Stock, if, immediately after such issue, assumption or guarantee, the total principal amount of all unsecured securities issued, assumed or guaranteed by the corporation and then outstanding (including unsecured securities then to be issued, assumed or guaranteed) will exceed \$15,000,000; provided, however, that if and so long as the sum of (1) the total principal amount of all bonds and other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (2) the capital and surplus of the corporation as then stated on the books of account of the corporation shall exceed \$150,000,000, then the above limitation of \$15,000,000 upon the aggregate principal amount of unsecured securities shall be increased by an amount equal to 10% of such excess; or

(b) issue, assume or guarantee any unsecured securities which shall mature by their terms more than ten years from the date upon which they are issued, assumed or guaranteed by the corporation; or

[col. 15389] (c) issue, assume or guarantee any unsecured securities maturing by their terms two years or less from the date upon which they are issued, assumed or guaranteed by the corporation in a principal amount which, when added to the principal amount of all other unsecured securities at the time outstanding (not including, however, any Serial Notes of the corporation issued under its Indenture dated as of November 1, 1940 to Chemical Bank Trust Company, as Trustee) maturing by their term, years or less from the date upon which they were issued,

assumed or guaranteed by the corporation, would exceed 10% of the sum of (1) the total principal amount of all bonds and other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (2) the capital and surplus of the corporation as then stated on the books of account of the corporation.

8. So long as any shares of 5.60% Cumulative Preferred Stock are outstanding, the corporation shall not, without the affirmative vote at a meeting (the notice of which shall state the general character of the matters to be submitted thereat), or the written consent with or without a meeting, of the holders of at least two-thirds of the then outstanding shares of 5.60% Cumulative Preferred Stock, declare or pay any dividends (other than dividends payable in shares of its capital stock ranking junior to the Cumulative Preferred Stock in respect of dividends and assets), or make any other distribution on, or purchase or redeem, any shares, at any time outstanding, of its Common Stock or any other class of stock ranking junior to the Cumulative Preferred Stock in respect of dividends or assets,

(A) if the cumulative aggregate amount of such dividends, distributions, purchases and redemptions (at cost) declared or effected subsequent to January 1, 1940, exceeds the amount of earned surplus (computed before deducting any amount in respect of such dividends, distributions, purchases and redemptions declared or effected subsequent to January 1, 1940, but after deducting an [fol. 15390] amount equal to all dividends paid or accrued and unpaid subsequent to January 1, 1940 upon the Cumulative Preferred Stock and all other stock of the corporation ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets) arising subsequent to January 1, 1940, determined in accordance with sound accounting practice, plus the sum of \$1,500,000; provided, however, that, for the purposes of this Subdivision 8, in determining at any time or from time to time the amount of earned surplus arising subsequent to January 1, 1940, no deduction or addition shall be made for any or all of the following direct charges or credits to earned surplus:

(1) surplus adjustments applicable to a period or periods prior to January 1, 1940;

(2) charges to earned surplus for the write-off at any time of unamortized discount and expense, applicable to the funded debt of the corporation existing at any time prior to January 1, 1940, or of any unamortized premium paid in connection with the redemption of any such funded debt;

(3) charges to earned surplus for the write-down or write-off of the excess of the cost to the corporation of properties acquired as entireties or otherwise over the original cost of such properties when first devoted to public use, which may be required by any rule, regulation or order of any public body or authority exercising supervisory authority over the accounts of the corporation;

(4) charges to earned surplus for dividends aggregating \$1,211,059.50 declared on the shares of the capital stock of the corporation during the year 1940, in respect of earnings for the year 1939, and paid during the year 1940; or

(B) if immediately following such dividend distribution, purchase or redemption, the aggregate par value, or if such stock has no par value the preference on [fol. 15391] voluntary liquidation, of all outstanding shares of Cumulative Preferred Stock, and of all stock ranking prior to or on a parity with the Cumulative Preferred Stock in respect of dividends or assets, would exceed an amount equal to the sum of (a) the total capital of the corporation represented by then outstanding shares of Common Stock and any other stock ranking junior to the Cumulative Preferred Stock in respect of dividends or assets and (b) the surplus of the corporation as then stated on its books of account.

The foregoing provisions of this Subdivision 8 shall not apply to the purchase or redemption of any shares of the capital stock of the corporation of any class effected through the exchange of other shares of stock of the corporation ranking junior to the Cumulative Preferred Stock in respect of dividends and assets or from the net proceeds (received after January 1, 1942) of shares of

stock ranking junior to the Cumulative Preferred Stock in respect of dividends and assets.

9. Any term hereinabove used, which is defined in the Certificate of Incorporation of the corporation, has the meaning therein assigned to it in such definition."

In Witness Whereof, this certificate has been made under the seal of said Panhandle Eastern Pipe Line Company and has been signed by the undersigned, said J. D. Creveling, its President, and said Leith V. Watkins, its Secretary, respectively, this 2nd day of February, 1942.

J. D. CREVELING,

President.

LEITH V. WATKINS,

Secretary.

PANHANDLE EASTERN PIPE
LINE COMPANY.

(Corporate Seal)

1929

Delaware.

Attest:

Leith V. Watkins,

Secretary.

[fol. 15392] State of New York,

County of New York—ss.:

Be It Remembered that on the 2nd day of February, 1942, personally came before me, Frank A. Moyer, a Notary Public in and for the County and State aforesaid J. D. Creveling, President of Panhandle Eastern Pipe Line Company, a corporation of the State of Delaware, the corporation described in and on behalf of which was made the foregoing certificate, known to me personally to be such President, and he, said J. D. Creveling as such President, duly executed said certificate before me and acknowledged said certificate to be his act and deed and the act and deed of said corporation; and that he further acknowledged to me that the signatures affixed to said certificate are the genuine signatures of J. D. Creveling as President and

Erith V. Watkins as Secretary of said corporation, respectively, that the seal affixed to said certificate is the corporate seal of said corporation, and that said certificate was sealed, executed, acknowledged and delivered pursuant to due authority from the Board of Directors and from the stockholders of said corporation.

FRANK A. MOYER,

Notary Public, Kings Co., N. Y.
Kings Co. Clk's No. 205; Reg. No. 2221
N. Y. Co. Clk's No. 574; Reg. No. 2M353.

Commission expires March 30, 1942.

[fol. 15393]

Exhibit 171.

Certificate

of

Purchase and Retirement of Class A Preferred Stock

of

Panhandle Eastern Pipe Line Company

Pursuant to Section 27 of the General Corporation Law
of the State of Delaware

(Filed February 14, 1942)

[fol. 15394]

Certificate

of

Purchase and Retirement of Class A Preferred Stock.

of

Panhandle Eastern Pipe Line Company

Pursuant to Section 27 of the

General Corporation Law,

of the State of Delaware

Panhandle Eastern Pipe Line Company (hereinafter called the Corporation), under the seal of the Corporation and the hands of its President and Secretary, does hereby Certify:

That the Corporation has purchased One Hundred Thousand (100,000) shares of its Class A Preferred Stock of the

par value of \$100 each, at par, being a price not exceeding the price at which such shares might be redeemed, and has retired such shares pursuant to resolution of its Board of Directors duly adopted.

That the amount of capital of the Corporation applied to the purchase of said shares was Ten Million Dollars (\$10,000,000).

That the capital of the Corporation is hereby reduced by the amount of capital which was applied to such purchase to-wit: Ten Million Dollars (\$10,000,000), which amount is the same as the amount of capital represented by the shares so purchased.

That the Certificate of Incorporation, as amended, prohibits the reissue of such shares so purchased and retired, and in as much as the shares so purchased and retired constitute all of the outstanding shares of Class A Preferred Stock, the filing and recording of this Certificate shall constitute an amendment to the Certificate of Incorporation effecting a reduction in the authorized capital stock of the Corporation by the elimination therefrom of all reference to Class A Preferred Stock.

That the assets of the Corporation remaining after such purchase and retirement are sufficient to pay any debts of the Corporation, the payment of which has not been otherwise provided for.

[fol. 15395] In Witness Whereof, this Certificate has been made under the Seal of said Panhandle Eastern Pipe Line Company and has been signed by the undersigned, said J. D. Creveling, its President, and said Leith V. Watkins, its Secretary, respectively, this 12th day of February, 1942.

J. D. CREVELING,

President.

LEITH V. WATKINS,

Secretary.

PANHANDLE EASTERN PIPE
LINE COMPANY,

(Corporate Seal)

1929

Delaware.

Attest:

Leith V. Watkins,
Secretary.

[fol. 15396] State of Missouri,
County of Jackson—ss.:

Be It Remembered that on this 12th day of February, 1942, personally came before me, Mary C. Magers, a Notary Public in and for the County and State aforesaid, J. D. Creveling, the President of Panhandle Eastern Pipe Line Company, a corporation of the State of Delaware, the corporation described in and on behalf of which was made the foregoing Certificate, known to me personally to be such President, and he, said J. D. Creveling, as such President, duly executed said certificate before me and acknowledged said certificate to be his act and deed and the act and deed of said corporation; and that he further acknowledged to me that the signatures affixed to said certificate are the genuine signatures of J. D. Creveling, as President and Leith V. Watkins as Secretary of said corporation, respectively, that the seal affixed to said certificate is the corporate seal of said corporation, and that said certificate was sealed, executed, acknowledged and delivered pursuant to due authority from the Board of Directors and from the stockholders of said corporation.

MARY C. MAGERS,
Notary Public.

My Commission Expires August 31, 1943.

MARY C. MAGERS,
Notary Public, Jackson County, Mo.

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

		A S S E T S						
		D e b i t						
Line No.	Item (A)	1 9 3 0 (B)	1 9 3 1 (C)	1 9 3 2 (D)	1 9 3 3 (E)	1 9 3 4 (F)	1 9 3 5 (G)	1 9 3 6 (H)
1	GAS PLANT	\$44 432 256 86	\$55 414 134 62	\$45 606 714 20	\$45 625 712 23	\$45 525 157 54	\$45 495 363 07	\$49 863 521 83
2	INVESTMENTS AND FUND ACCOUNTS							
3	Other Investments	200 169 09	200 169 09	190 784 68	187 724 68	180 240 68	1 00	150 146 84
4	CURRENT AND ACCRUED ASSETS							
5	Cash	713 599 28	430 459 43	456 864 60	494 528 10	498 968 73	726 495 15	963 219 16
6	Special Deposits	8 772 563 72	909 00	423 997 72	660 75	630 689 07	854 07	1 527 31
7	Working Funds (Petty Cash							
8	and Advances)	21 268 54	8 747 46	3 109 93	2 215 79	2 505 13	2 234 12	5 261 77
9	Notes Receivable	57 500 00	1 051 338 64	1 051 843 40	300 953 36	150 847 80	150 706 20	12 532 38
10	Accounts Receivable	181 501 89	365 109 83	364 238 03	373 714 29	383 272 01	489 507 74	996 229 66
11	Interest and Dividends							
12	Receivable	-	108 43	116 81	6 35	5 65	4 70	7 565 93
13	Material and Supplies	235 221 44	496 381 01	409 308 39	269 574 03	264 929 92	228 070 68	215 387 53
14	Prepayments	9 276 79	31 133 58	37 492 72	34 499 61	39 725 23	40 685 07	41 296 84
15	Total Current and Accrued Assets	9 990 931 66	2 384 187 38	2 746 971 60	1 476 152 28	1 970 945 54	1 638 557 73	2 243 020 58
16	DEFERRED DEBITS							
17	Unamortized Debt Discount and							
18	Expense	2 026 261 70	1 968 010 43	1 860 157 13	1 702 747 90	1 601 091 34	1 406 686 22	1 267 225 96
19	Extraordinary Property Losses	-	-	279 538 39	358 095 27	409 467 63	11 752 17	11 752 17
20	Clearing Accounts	-	-	-	-	-	-	-
21	Retirement Work in Progress	-	73 880 86	3 320 48	10 106 56	6 931 20	6 964 81	146 11
22	Other Work in Progress	-	12 897 13	2 027 56	1 353 03	1 163 45	6 199 85	10 793 16
23	Other Deferred Debits	8 744 85	9 997 02	46 274 98	48 997 03	45 315 85	35 618 40	21 093 06
24	Total Deferred Debits	2 035 006 55	2 064 785 44	2 191 318 54	2 121 299 79	2 061 969 47	1 467 221 45	1 311 010 46
25	REACQUIRED SECURITIES							
26	Reacquired Long-Term Debt	-	-	-	-	-	-	-
27	TOTAL ASSETS AND OTHER DEBITS	\$56 658 364 16	\$60 063 276 53	\$50 735 789 02	\$49 410 888 28	\$49 738 311 23	\$48 601 143 25	\$53 567 699 71

EXHIBIT 172 15397

PAGE 1

WITNESS WATKINS.

AND SUBSIDIARY COMPANIES

BALANCE SHEETS - PER BOOKS

T S		Supplements Ex 48											
b e r		3 1											
1 9 3 5		1 9 3 6		1 9 3 7		1 9 3 8		1 9 3 9		1 9 4 0		1 9 4 1	
(G)		(H)		(I)		(J)		(K)		(L)		(M)	
54	\$45 495 363 07	\$49 863 521 83	\$60 977 186 19	\$61 214 797 04	\$61 838 380 91	\$66 906 389 76	\$69 650 032 63						
68	1 00	150 146 84	199 430 77	225 898 06	228 791 91	235 598 10	2 954 498 52 (1)						
73	726 495 15	963 219 16	1 546 962 47	1 396 964 87	5 479 321 37	3 744 194 06	3 984 032 18						
07	854 07	1 527 31	6 038 25	4 758 25	5 028 25	9 125 75	102 580 14						
13	2 234 12	5 261 77	4 416 14	4 997 18	8 419 45	9 189 00	11 572 08						
80	150 706 20	12 532 38	3 991 75	14 854 84	16 020 60	2 150 63	-						
01	489 507 74	996 229 66	971 532 85	1 126 143 55	1 280 529 32	1 445 442 03	1 633 275 50						
65	4 70	7 565 93	6 492 87	5 959 40	5 237 70	3 801 78	8 388 47						
92	228 070 68	215 387 53	257 963 63	165 267 50	159 321 97	212 314 42	374 839 09						
23	40 685 07	41 296 84	80 232 10	78 881 97	84 806 27	64 918 68	94 732 18						
54	1 638 557 73	2 243 020 58	2 877 630 06	2 797 827 56	7 038 684 93	5 491 136 35	6 209 419 64						
34	1 406 686 22	1 267 225 96	3 173 881 35	2 854 204 85	2 539 351 98	2 229 322 74	-						
63	11 752 17	11 752 17	-	-	-	-	-						
	-	-	3 122 21	-	-	-	6 760 57						
20	6 964 81	146 11	-	-	-	-	-						
45	6 199 85	10 793 16	20 447 87	30 898 92	59 79	2 975 91	176 619 80						
85	35 618 40	21 093 06	14 624 98	13 311 38	6 00	837 08	4 068 91						
47	1 467 221 45	1 311 010 46	3 212 076 41	2 898 415 15	2 539 417 77	2 233 135 73	187 449 28						
	-	-	454 000 00	-	-	-	-						
23	\$48 601 143 25	\$53 567 699 71	\$67 720 323 43	\$67 136 937 81	\$71 645 275 52	\$74 866 259 94	\$79 001 400 07						

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

		L I A B I L I T I E S						
Line No.	Item (A)	D e b t						
		1930 (B)	1931 (C)	1932 (D)	1933 (E)	1934 (F)	1935 (G)	1936 (H)
1	CAPITAL STOCK							
2	Common Capital Stock	\$ 100 000 00	\$ 980 000 00	\$ 1 199 000 00	\$ 1 199 000 00	\$ 1 199 000 00	\$ 1 199 000 00	\$ 18 2
3	Preferred Capital Stock	-	-	-	-	-	-	11 0
4	Total Capital Stock	100 000 00	980 000 00	1 199 000 00	1 199 000 00	1 199 000 00	1 199 000 00	29 2
5	LONG-TERM DEBT							
6	Bonds	20 000 000 00	20 000 000 00	20 000 000 00	19 400 000 00	19 400 000 00	18 200 000 00	17 5
7	Miscellaneous Long-Term Debt	-	7 920 000 00	9 891 000 00	9 993 500 00	9 981 594 75	9 976 670 24	1
8	Total Long-Term Debt	20 000 000 00	27 920 000 00	29 891 000 00	29 393 500 00	29 381 594 75	28 176 670 24	17 7
9	CURRENT AND ACCRUED LIABILITIES							
10	Notes Payable	4 012 000 00	-	-	-	-	-	4
11	Accounts Payable	2 394 496 69	168 669 71	70 058 14	91 691 52	91 168 32	101 847 05	5
12	Dividends Declared	-	-	-	-	-	-	-
13	Matured Long-Term Debt	-	-	-	-	-	-	-
14	Matured Interest	-	-	-	-	593 460 00	1 186 920 00	-
15	Customers' Deposits	6 839 00	2 050 00	2 262 00	2 198 00	1 990 00	1 943 00	-
16	Taxes Accrued	10 359 69	219 628 43	179 091 53	167 745 72	159 487 83	160 533 10	4
17	Interest Accrued	303 614 56	457 379 32	496 472 90	487 264 41	487 239 10	469 222 85	2
18	Other Current and Accrued							
19	Liabilities	1 860 80	1 053 53	1 763 81	1 954 41	4 108 80	3 164 49	-
20	Total Current and Accrued							
21	Liabilities	6 729 170 74	848 780 99	749 648 38	750 854 06	1 337 454 05	1 923 630 49	1 6
22	DEFERRED CREDITS							
23	Customers' Advances for							
24	Construction	-	-	-	57 00	1 135 00	1 075 00	-
25	Other Deferred Credits	19 767 24	17 104 10	51 241 12	32 325 25	19 528 26	20 796 67	-
26	Total Deferred Credits	19 767 24	17 104 10	51 241 12	32 382 25	20 663 26	21 871 67	-
27	RESERVES							
28	Reserve for Depreciation of							
29	Gas Plant	53 097 66	190 318 12	543 336 41	1 066 349 96	1 648 572 85	2 184 909 83	2 7
30	Reserve for Amortization and							
31	Depletion of Producing Natural							
32	Gas Land and Land Rights	-	-	9 407 08	23 378 95	43 020 03	67 827 41	10
33	Reserve for Abandoned Leases	-	17 100 00	52 423 04	79 524 32	133 286 98	184 717 93	1
34	Reserve for Uncollectible Accounts	3 946 05	2 907 60	6 096 44	7 245 27	12 220 09	14 459 60	-
35	Injuries and Damages Reserve	-	3 300 00	8 764 18	19 564 18	30 364 18	41 164 18	-
36	Other Reserves	36 002 66	36 002 66	36 002 66	36 002 66	-	-	-
37	Total Reserves	93 046 37	249 628 38	656 029 81	1 232 065 34	1 867 464 13	2 493 078 95	3 0
38	CONTRIBUTIONS IN AID OF CONSTRUCTION	-	-	-	1 040 32	1 040 32	1 040 32	-
39	SURPLUS							
40	Capital Surplus	29 643 581 17	29 652 338 25	19 294 624 55	19 294 624 55	19 285 867 47	18 582 941 56	4
41	Earned Surplus	72 798 64	395 424 81	1 105 754 84	2 492 577 54	3 354 772 75	3 751 089 98	1 67
42	Total Surplus	29 716 379 81	30 047 763 06	18 188 869 71	16 802 047 01	15 931 094 72	14 785 851 58	1 7
43	TOTAL LIABILITIES AND OTHER							
44	CREDITS	\$56 658 364 16	\$60 063 276 53	\$50 735 789 02	\$49 410 888 98	\$49 738 311 23	\$48 601 143 25	\$53 56
45	*Denotes red figures.							

Reference is made to the appended notes which are an

T I E S

b	e	r	31				
1935	1936	1937	1938	1939	1940	1941	
(G)	(H)	(I)	(J)	(K)	(L)	(M)	

100 00	\$ 1 199 000 00	\$18 216 300 00	\$18 216 300 00	\$18 216 300 00	\$20 184 175 00	\$20 184 175 00	\$20 184 175 00
-	-	11 000 000 00	11 000 000 00	11 000 000 00	11 000 000 00	11 000 000 00	11 000 000 00
100 00	1 199 000 00	29 216 300 00	29 216 300 00	29 216 300 00	31 184 175 00	31 184 175 00	31 184 175 00

100 00	18 200 000 00	17 589 000 00	24 000 000 00	23 500 000 00	23 000 000 00	22 500 000 00	18 250 000 00
594 75	9 976 670 24	172 244 41	2 158 848 83	2 062 664 20	41 436 10	30 149 00	5 009 789 19
594 75	28 176 670 24	17 761 244 41	26 158 848 83	25 562 664 20	23 041 436 10	22 530 149 00	23 259 789 19

-	-	400 000 00	2 625 000 00	-	-	-	-
168 32	101 847 05	579 220 46	309 825 00	174 172 16	523 121 52	363 523 43	1 083 337 88
-	-	-	165 000 00	165 000 00	165 000 00	165 000 00	905 086 42
-	-	-	2 110 00	1 582 50	1 582 50	-	96 822 14
160 00	1 186 920 00	540 00	2 352 50	2 290 00	890 00	2 420 00	4 230 00
390 00	1 943 00	2 276 00	2 370 00	2 840 00	3 415 00	3 885 00	-
187 83	160 533 10	445 175 74	736 680 20	1 036 992 32	1 105 545 25	2 333 878 95	3 218 503 42
239 10	469 222 85	263 877 20	316 168 83	315 694 47	306 666 68	300 000 00	90 104 18
108 80	3 164 49	8 156 11	5 909 35	3 117 66	3 085 58	3 199 01	3 433 42

154 05	1 923 630 49	1 699 245 51	4 165 415 88	1 701 689 11	2 109 306 53	3 171 906 39	5 401 517 46
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135 00	1 075 00	1 195 00	1 553 00	5 964 58	8 241 29	9 339 48	-
228 26	20 796 67	70 310 96	108 461 94	27 830 62	63 874 60	44 351 74	43 414 51
563 26	21 871 67	71 505 96	110 014 94	33 795 20	72 115 89	53 691 22	43 414 51

572 85	2 184 909 83	2 746 714 26	3 731 763 48	5 272 697 52	6 981 592 47	8 478 956 45	10 045 784 05
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120 03	67 827 41	108 106 52	160 634 78	211 533 71	277 251 34	356 987 61	447 164 67
286 98	184 717 93	150 789 04	212 557 63	252 196 26	339 434 61	353 557 18	415 074 53
220 09	14 459 60	13 909 80	15 405 64	21 367 93	29 523 89	40 088 66	50 219 88
164 18	41 164 18	51 964 18	60 664 18	75 064 18	88 914 28	107 408 37	100 923 74
-	-	-	96 800 94	424 800 94	624 800 94	624 800 94	624 800 94

64 13	2 493 078 95	3 071 483 80	4 277 826 65	6 257 660 54	8 341 517 43	9 961 799 21	11 683 967 81
40 32	1 040 32	29 100 32	29 100 32	29 100 32	36 295 83	41 571 91	42 062 57

67 47	18 582 941 56	46 364 54	46 364 54	46 364 54	-	-	-
72 75*	3 797 089 98*	1 672 455 17	3 716 452 27	4 289 363 90	6 860 427 74	7 922 967 21	7 386 473 53 (2)
94 72	14 785 851 58	1 718 819 71	3 762 816 81	4 335 728 44	6 860 427 74	7 922 967 21	7 386 473 53

11 23	\$48 601 143 25	\$53 567 699 71	\$67 720 323 43	\$67 136 937 81	\$71 645 275 52	\$74 866 259 94	\$79 001 400 07
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Append notes which are an integral part of the above balance sheet.

EXHIBIT 172.

PAGE 3

WITNESS WATKINS

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

NOTES TO BALANCE SHEETS

Line
No.

1 (1) Including \$2,750,000 principal amount
2 of United States Treasury Notes of
3 Tax Series B - 1943. (Tax Anticipation Notes)

4 (2) Surplus is restricted by the Certificate
5 of Incorporation as to the payment
6 of common stock and participating
7 dividends, in the amount of \$3,581,379.41.

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANY

Line No.	I t e m (A)	1932 April 1 to December 31 (B)	I e a r E n d e d D e c				
			1 9 3 3 (C)	1 9 3 4 (D)	1 9 3 5 (E)	1 9 3 6 (F)	1 9 3 7 (G)
1	INCOME						
2	Operating Revenues						
3	Gas	\$1 346 228 99	\$2 416 397 62	\$2 844 934 63	\$3 371 882 80	\$5 815 682 31	\$9 212 821 95
4	Gasoline	-	-	-	-	46 318 74	429 051 48
5	Pipe Line Rentals	67 018 27	154 911 25	189 638 39	221 276 31	102 872 18	-
6	Miscellaneous	14 246 32	14 087 92	13 944 83	18 705 92	72 994 76	21 035 99
7	Total Operating Revenues	1 427 493 58	2 585 396 79	3 048 517 85	3 611 865 03	6 037 867 99	9 662 909 42
8	Operating Revenue Deductions						
9	Operation and Maintenance Expenses	787 282 03	999 104 75	1 009 569 44	1 064 408 69	1 503 536 46	2 193 924 05
10	Depreciation (Including Amortization)	321 196 03	624 052 98	629 017 13	630 539 44	672 400 19	1 217 882 04
11	Amortization and Depletion of Producing						
12	Natural Gas Land and Land Rights	6 908 30	13 971 87	19 641 08	24 807 38	40 279 11	52 528 26
13	Abandoned Leases	73 683 14	85 580 00	82 692 00	79 560 90	75 010 26	113 976 77
14	Amortization of Other Limited Term						
15	Gas Investments	26 761 93	33 289 68	33 289 68	33 289 68	296 906 58	320 565 16
16	Charges in Lieu of Federal						
17	Income and Excess Profits Taxes	-	-	-	-	-	-
18	Taxes						
19	State, Local and Miscellaneous						
20	Federal	216 130 27	262 375 23	270 204 00	284 598 03	360 293 90	412 961 36
21	Federal Income	-	-	-	-	230 000 00	492 000 00
22	Federal Excess Profits	-	-	-	-	-	-
23	Total Operating Revenue Deductions	1 431 961 70	2 018 374 51	2 044 413 33	2 117 204 12	3 178 426 50	4 803 837 64
24	Net Operating Revenue	4 468 12*	567 022 28	1 004 104 52	1 494 660 91	2 859 441 49	4 859 071 78
25	OTHER INCOME						
26	Interest Revenues	15 008 44	8 234 75	4 055 81	3 011 75	7 605 71	17 737 82
27	Miscellaneous Nonoperating Revenues	6 375 00	-	-	-	-	-
28	Total Other Income	21 383 44	8 234 75	4 055 81	3 011 75	7 605 71	17 737 82
29	Gross Income	16 915 32	575 257 03	1 008 160 33	1 497 672 66	2 867 047 20	4 876 809 60
30	INCOME DEDUCTIONS						
31	Interest on Long-Term Debt	1 334 607 00	1 770 760 00	1 760 158 18	1 725 397 26	1 137 387 05	987 030 42
32	Amortization of Debt Discount and						
33	Expense	78 653 23	102 702 87	119 741 62	98 250 56	93 679 98	285 107 13
34	Other Interest Charges	682 35	1 091 79	267 29	78 87	1 934 49	34 383 06
35	Interest Charged to Construction	5 332 60*	-	-	-	77 139 75*	189 238 82*
36	Total Income Deductions	1 408 609 98	1 874 554 66	1 880 167 09	1 823 726 69	1 155 861 77	1 117 281 79
37	NET INCOME	\$1 391 694 66*	\$1 299 297 63*	\$82 006 76*	\$326 054 03*	\$1 711 185 43	\$3 759 527 81

38 *Denotes red figures.

EXHIBIT 173

SCHEDULE 1

15400

Y AND SUBSIDIARY COMPANIES

WITNESS WATKINS

INCOME STATEMENT -- PER BOOKS
PERIOD FROM APRIL 1, 1932 TO DECEMBER 31, 1941Supplement 24 49
Average

1936 (F)				1937 (G)				1938 (H)				1939 (I)				1940 (J)				Cumulative (K)				1932-1940 (8-3/4 Yr.) (L)				1941 (M)																							
515 682 31 \$9 212 821 95 \$9 540 967 85 \$11 461 388 31 \$13 167 241 73 \$59 177 546 19 \$6 763 148 13 \$14 688 263 44				46 318 74 429 051 48 353 128 71 513 940 99 355 722 01 1 698 161 93 194 075 65 735 077 94				102 872 18 72 994 76 21 035 99 13 032 46 21 439 93 12 489 05 201 977 18 23 083 11 11 515 35				37 867 99 9 662 909 42 9 907 129 02 11 996 769 23 13 535 452 79 61 813 401 70 7 064 388 76 15 434 856 73				503 536 46 2 193 924 05 2 386 502 03 2 698 910 34 3 000 764 52 15 644 002 31 1 787 885 98 3 392 827 05				572 400 19 1 217 882 04 1 577 158 67 1 711 382 62 1 720 744 97 9 104 374 07 1 040 499 89 1 937 994 80				40 279 11 52 528 26 50 898 93 65 717 63 79 736 27 354 488 83 40 513 01 90 177 06				75 010 26 113 976 77 100 549 56 93 599 61 80 408 63 785 060 87 89 721 24 74 685 45				296 906 58 320 565 16 326 892 84 329 300 14 329 110 13 1 729 405 82 197 646 38 332 142 69				823 881 49															
160 293 90 412 961 36 577 888 16 675 477 83 612 871 48 3 672 800 26 419 748 60 733 622 93				330 000 00 492 000 00 513 426 21 820 286 12 1 436 598 47 3 492 310 80 399 121 23 1 690 000 00				78 426 50 4 803 837 64 5 533 316 40 6 394 674 29 7 821 234 47 35 343 442 96 4 039 250 62 9 975 331 47				59 441 49 4 859 071 78 4 373 812 62 5 602 094 94 5 714 218 32 26 469 958 74 3 025 138 14 5 459 525 26				7 605 71 17 737 82 13 172 56 13 884 90 13 427 53 96 139 27 10 987 34 18 541 89				7 605 71 17 737 82 13 172 56 13 884 90 13 427 53 102 514 27 11 715 91 18 541 89				67 047 20 4 876 809 60 4 386 985 18 5 615 979 84 5 727 645 85 26 572 473 01 3 036 854 05 5 478 067 15				37 387 05 987 030 42 944 233 34 923 333 32 903 333 32 11 486 239 89 1 312 713 13 651 903 65				93 679 98 285 107 13 319 676 50 314 852 87 310 029 24 1 722 694 00 196 879 31 27 486 70				1 934 49 34 383 06 65 129 11 14 394 31 2 787 11 120 748 38 13 799 82 5 958 57				77 139 75* 189 238 82* 1 277 51* 36 827 80* 309 816 48* 35 407 60* 11 774 51*				55 861 77 1 117 281 79 1 327 761 44 1 252 580 50 1 179 321 87 13 019 865 79 1 487 984 66 673 574 41				11 185 43 \$3 759 527 81 \$3 059 223 74 \$ 4 363 399 34 \$ 4 548 323 98 \$13 552 607 22 \$1 548 869 39 \$ 4 804 492 74			

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	Item	1932 April 1 to December 31 (B)	Year Ended					December	
			1933 (C)	1934 (D)	1935 (E)	1936 (F)	1937 (G)		
1	Net income per Schedule 1, Line 38	\$1 391 694 66*	\$1 299 297 63*	\$1 872 006 76*	\$1 326 054 03*	\$1 711 185 43	\$3 759 527 81	\$3	
2	Add								
3	Depreciation per Schedule 1, Line 10	321 196 03	624 052 98	629 017 13	630 539 44	672 400 19	1 217 382 04	1	
4		1 070 498 63*	675 244 65*	242 989 63*	304 485 41	2 383 585 62	4 977 409 85	4	
5	Deduct								
6	Depreciation computed at 3%	905 843 71	1 220 847 24	1 222 952 40	1 224 563 46	1 282 510 15	1 514 935 50	1	
7	Net income as adjusted	\$1 976 342 34*	\$1 896 091 89*	\$1 465 942 03*	\$1 920 078 05*	\$1 101 075 47	\$3 462 474 35	\$2	

8 * Denotes red figure

EXHIBIT 173

15401

SCHEDULE 2

WITNESS WATKINS

SUBSIDIARY COMPANIES

NET INCOME ADJUSTED FOR DEPRECIATION
(INCLUDING AMORTIZATION) COMPUTED AT 3%
FOR PERIOD FROM APRIL 1, 1932 TO DECEMBER 31, 1941

d e c e m b e r 3 1				Cumulative Total (K)	Average 1932-1940 (8 3/4 Yrs.) (L)	1 9 4 1 (M)	
6	1 9 3 7 (G)	1 9 3 8 (H)	1 9 3 9 (I)				1 9 4 0 (J)
35.43	\$3 759 527.81	\$3 059 223 74	\$4 363 399 34	\$4 548 323 98	\$13 552 607 22	\$1 548 869 39	\$4 804 492 74
20 19	1 217 882 04	1 577 158 67	1 711 382 62	1 720 744 97	9 104 374 07	1 040 499 89	1 937 994 80
35 62	4 977 409 85	4 636 382 41	6 074 781 96	6 269 068 95	22 65 981 29	2 589 369 28	6 742 487 54
10 15	1 514 935 50	1 698 519 63	1 715 579 73	1 800 529 31	12 586 281 13	1 438 432 13	1 891 270 88
75 47	\$3 462 474 35	\$2 937 862 78	\$4 359 202 23	\$4 468 539 64	\$10 070 100 16	\$1 150 937 15	\$4 851 216 66

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COM

Line No.	I t e m (A)	1 9 3 0 September 1 to December 31 (B)	1 9 3 1 (C)	Y e a r 1 9 3 2 (D)	1 9 3 3 (E)	E n d 1 9 3 4 (F)	1
1	Earned surplus, beginning of year	\$ -	\$ 72 798 64	\$ 395 424 81	\$ 1 105 754 84	\$ 2 492 577 54	\$ 3 3
2	CREDITS						
3	Credit balance transferred from						
4	income account	72 798 64	342 321 35	-	-	-	
5	Miscellaneous credits to surplus:						
6	Transfer of unused balance of reserve for						
7	income taxes previously provided for by						
8	a subsidiary company					36 002 66	
9	Nominal value assigned to investment in						
10	subsidiary company					1 00	
11	Adjusted earned deficit at December 31,						
12	1935 combined with capital surplus:						
13	Adjusted earned surplus deficit of						
14	Panhandle Eastern Pipe Line Company at						
15	December 31, 1935 combined with capital						
16	surplus as authorized by Board of						
17	Directors						
18	Provision for reserve for loss on in-						
19	vestments in subsidiary companies as						
20	of December 31, 1935 combined with						
21	capital surplus as authorized by Board						
22	of Directors						
23	Surplus arising from readjustment of funded						
24	debt and cancellation of accrued interest						
25	thereon to February 6, 1936 (\$274,091.50						
26	applicable to period prior to December						
27	31, 1935)						
28	Discount on reacquired bonds						
29	Deficit of a subsidiary company (dissolved)						
30	transferred to Capital Surplus						
31	Miscellaneous direct credits			7 679 83			
32	TOTAL CREDITS	\$ 72 798 64	\$ 342 321 35	\$ 7 679 83	\$ -	\$ 36 003 66	\$

* Denotes red figure.

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	Item (A)	1930 September 1 to December 31	Y e a r E n d e d				
		(B)	1931 (C)	1932 (D)	1933 (E)	1934 (F)	1935 (G)
1	DEBITS						
2	Debit balance transferred from income account \$	- \$		\$1 341 579 39	\$1 299 297 63	\$ 872 006 76	\$ 326 054 03
3	Dividend appropriations - Preferred Stock:						
4	Ordinary						
5	Participating						
6	Dividend appropriations - Common Stock:						
7	Ordinary						
8	Participating						
9	Miscellaneous debits to surplus:						
10	Reduction of interest capitalized by amount						
11	of interest earned during 1930.		18 334 42				
12	Reduction of investment in subsidiary						
13	company			5 904 41			
14	Capitalization of net income from operations						
15	during construction period for certain						
16	subsidiary companies			53 551 88			
17	Provision for additional depreciation and						
18	amortization for period from April 1, 1931						
19	to December 31, 1931.			107 823 80			
20	Earned surplus balance of a subsidiary						
21	company transferred to retirement and de-						
22	pletion reserve				2 818 71		
23	Unamortized debt discount and expense						
24	applicable to bonds retired				54 706 36		96 154 56
25	Premium on bonds retired				30 000 00		60 000 00
26	Loss sustained on investment in dissolution						
27	or disposal of subsidiary companies					23 488 80	
28	Provision for uncollectible account due						
29	from receivers of Missouri-Kansas Pipe						
30	Line Company					2 703 31	
31	Balance of unamortized debt discount,						
32	expense and call premiums on						
33	refunded and outstanding debt						
34	Miscellaneous direct debits			1 360 76			
35	TOTAL DEBITS	\$ -	\$ 19 695 18	\$1 508 859 48	\$1 386 822 70	\$ 898 198 87	\$ 482 208 59
36	EARNED SURPLUS, END OF YEAR	\$	72 798 94	\$ 395 424 81	\$1 105 754 84	\$2 492 577 54	\$3 354 772 75
37	* Denotes red figure						

WITNESS WATKINS

SUBSIDIARY COMPANIES

EARNED SURPLUS - PER BOOKS
PERIOD FROM COMMENCEMENT OF OPERATIONS TO DECEMBER 31, 1941

d	e	d	D	e	c	e	m	b	e	r	31		
9 3 4	1 9 3 5	1 9 3 6	1 9 3 7	1 9 3 8	1 9 3 9	1 9 4 0	1 9 4 1						
(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)						

72 006 76 \$	326 054 03 \$	- \$	- \$	- \$	- \$	- \$	- \$
			1 320 000 00	660 000 00	660 000 00	660 000 00	660 000 00
				182 163 00		403 683 51	336 402 92
			364 326 00	1 092 978 00	1 132 335 50	1 211 050 50	1 953 828 14
				546 489 00		1 211 050 50	403 683 50

96 154 56 45 780 28
60 000 00 13 947 81

23 488 80

30 829 71

26 323 49

2 703 31

375 00 12 874 97

1 960 748 37

98 198 87 \$ 482 208 59 \$ 59 728 09 \$1 715 530 71 \$2 494 504 97 \$1 792 335 50 \$3 485 784 51 \$5 340 986 42
54 772 75 \$3 797 089 98 \$1 672 455 17 \$3 716 452 27 \$4 289 363 90 \$6 860 427 74 \$7 922 967 21 \$7 386 473 53

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANY

Line No.	Item (A)	1930 September 1 to December 31 (B)	Y 1931 (C)	e 1932 (D)	a 1933 (E)	r 1934 (F)	E 1935 (G)	n 1936 (H)	d 1937 (I)	e 1938 (J)
1	Balance beginning of year	\$ -	\$29 643 581 17	\$29 652 338 25	\$19 294 624 55	\$19 294 624 55				
2	CREDITS									
3	Capital surplus arising from assets donated									
4	and indebtedness cancelled by Missouri-Kansas									
5	Pipe Line Company as of August 31, 1930.	19 335 867 47								
6	Capital surplus arising from sale of 5,100									
7	shares of no par value common stock donated to									
8	the Treasury. \$50 000 00									
9	Less - write-off value assigned to									
10	gas lease 1 000 00	49 000 00								
11	Capital surplus arising from revaluation									
12	of Gas Sales and Purchase Contracts, re-									
13	versed March 31, 1932.	10 357 713 70								
14	Excess value per books over cost on acquired									
15	capital investment in subsidiary company; re-									
16	versed in year 1934.			8 757 08						
17	TOTAL CREDITS	29 742 581 17	8 757 08	-	-	-				
18	DEBITS									
19	Additional value assigned to no par value									
20	common stock in accordance with a resolution									
21	of the Board of Directors on October 28, 1930	99 000 00								
22	Reversal of capital surplus arising from re-									
23	valuation of Gas Sales and Purchase Contracts			10 357 713 70						
24	Reversal of excess value per books over cost on									
25	acquired capital investment in subsidiary company							8 757 08		
26	Loss sustained on the liquidation of investment									
27	in dissolution of subsidiary companies.									
28	Adjusted earned deficit at December 31, 1935									
29	combined with capital surplus:									
30	Adjusted earned surplus deficit of Panhandle									
31	Eastern Pipe Line Company at December 31, 1935									
32	combined with capital surplus as authorized by									
33	Board of Directors									
34	Provision for reserve for loss on investments									
35	in subsidiary companies as of December 31,									
36	1935 as authorized by Board of Directors.									
37	Claims against receivers of Missouri-Kansas									
38	Pipe Line Company written-off.									
39	Capital surplus assigned to stock dividend paid									
40	by the issuance of 646,354 shares of common stock									
41	Capital surplus transferred to reserve for depre-									
42	ciation, as authorized by the Board of Directors									
43	TOTAL DEBITS	99 000 00	-	10 357 713 70	-	-		8 757 08		
44	BALANCE END OF YEAR	\$29 643 581 17	\$29 652 338 25	\$19 294 624 55	\$19 294 624 55	\$19 285 867 47	\$18 582 94			

EXHIBIT 175

15404

PAGE 1

WITNESS WATKINS

ND SUBSIDIARY COMPANIES

CAPITAL SURPLUS PER BOOKS
PERIOD FROM SEPTEMBER 1, 1930 TO DECEMBER 31, 1941

(Supplement 451)

n	d	e	d	D	e	c	e	m	b	e	r	31
3	1934	1935	1936	1937	1938	1939	1940	1941				
	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)				
24 55	\$19 294 624 55	\$19 285 867 47	\$18 582 941 56	\$46 364 54	\$46 364 54	\$46 364 54	\$	-	\$	-	-	-

8 757 08

702 925 91

1 247 365 50

2 232 009 04

39 902 48

15 017 300 00

46 364 54

8 757 08

702 925 91

18 536 577 02

46 364 54

24 55 \$19 285 867 47 \$18 582 941 56

46 364 54

\$46 364 54

\$46 364 54

\$

-

-

-

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	Item (A)	1930 (B)	1931 (C)	1932 (D)	1933 (E)	1934 (F)	1935 (G)	1936 (H)
1	INTANGIBLE PLANT							
2	Organization	\$ 24 746 20	\$ 110 647 63	\$ 115 834 83	\$ 115 834 83	\$ 115 986 15	\$ 116 707 57	\$ 116 8
3	Franchises and consents	2 191 34	58 934 48	117 385 32	-	-	-	-
4	Miscellaneous intangible plant	618 80	-	19 671 95	98 005 11	98 005 11	97 991 71	97 9
5	Totals Intangible Plant	27 556 34	169 582 11	213 548 20	213 839 94	213 991 26	214 699 28	214 8
6	PRODUCTION PLANT							
7	(a) Natural Gas Production							
8	Plant							
9	Natural gas producing							
10	leaseholds - drilled	453 354 93	420 930 76	394 111 17	376 594 80	387 238 81	369 633 08	472 7
11	Natural gas producing							
12	leaseholds - not drilled	1 203 901 45	1 499 090 43	1 455 299 39	1 387 510 67	1 348 237 06	1 293 219 55	1 191 9
13	Other land and land rights	-	299 00	299 00	299 00	299 00	299 00	2
14	Other production system							
15	structures	-	79 015 90	38 094 06	38 588 63	38 588 63	38 887 13	38 8
16	Producing gas wells -							
17	well construction	345 227 18	1 118 060 68	969 926 43	948 284 81	948 704 40	917 717 40	1 038 7
18	Producing gas wells -							
19	well equipment	101 158 57	334 480 02	311 703 66	309 874 19	302 299 28	309 541 68	345 7
20	Drilling and cleaning							
21	equipment	250 00	53 557 70	54 701 88	48 801 31	48 780 53	42 512 52	39 3
22	Purification and residual							
23	refining equipment	-	-	-	-	-	-	2 3
24	Other production equipment	-	-	-	-	-	-	-
25	Totals Natural Gas Production							
26	Plant	2 103 892 13	3 505 434 49	3 224 135 59	3 109 953 41	3 074 147 71	2 971 810 36	3 130 1
27	(b) Manufactured Gas							
28	Production Plant	-	30 112 02	30 112 02	30 112 02	30 112 02	30 112 02	30 1
29	Totals Production Plant	2 103 892 13	3 535 546 51	3 254 247 61	3 140 065 43	3 104 259 73	3 001 922 38	3 160 2
30	TRANSMISSION PLANT							
31	Land	1 940 75	41 372 32	42 021 68	42 121 68	42 212 31	42 212 31	46 4
32	Land rights	16 341 27	819 942 01	900 965 73	900 405 76	915 476 41	917 541 62	930 8
33	Pumping station structures	-	208 399 61	218 459 25	218 459 25	218 459 25	219 424 84	719 5
34	Measuring and regulating							
35	station structures	9 793 95	22 404 82	30 099 51	35 298 05	35 945 19	33 685 50	35 74
36	Other transmission structures	-	114 333 08	179 121 24	180 808 73	181 339 30	181 929 64	187 3
37	Mains	2 759 107 93	31 231 403 05	31 551 884 52	31 547 742 59	31 700 129 66	31 651 527 54	31 936 6
38	Pumping station equipment	270 534 33	1 995 864 84	2 035 172 59	2 028 831 40	2 029 554 36	2 030 212 87	4 968 6
39	Measuring and regulating							
40	station equipment	52 681 48	236 965 68	352 739 89	346 690 57	358 362 14	362 097 17	382 31
41	Other transmission equipment	-	-	842 46	842 46	2 454 36	3 096 35	2 78
42	Totals Transmission Plant	\$3 110 399 71	\$34 670 685 41	\$35 311 306 87	\$35 301 200 49	\$35 483 932 98	\$35 441 727 84	\$39 210 18

AND SUBSIDIARY COMPANIES

WITNESS WATKINS

GAS PLANT

Supplement 52

	1935 (G)	1936 (H)	1937 (I)	1938 (J)	1939 (K)	1940 (L)	1941 (M)
15	116 707 57	116 820 90	116 291 98	116 291 98	116 291 98	116 291 98	115 172 86
11	97 991 71	97 991 71	97 991 71	97 991 71	97 991 71	97 991 71	64 427 72
26	214 699 28	214 812 61	214 283 69	214 283 69	214 283 69	214 283 69	179 600 58
81	369 633 08	472 776 10	749 406 55	834 269 49	949 880 70	996 613 19	1 017 993 19
06	1 293 219 55	1 191 969 57	1 049 128 94	955 795 59	865 472 36	759 239 20	747 784 12
00	299 00	299 00	299 00	299 00	299 00	299 00	299 00
63	38 887 13	38 899 88	44 262 39	46 166 15	46 768 78	46 426 96	47 797 15
40	917 717 40	1 038 775 03	1 553 917 31	1 756 980 43	1 937 811 04	2 023 739 02	2 067 934 08
28	309 541 68	345 723 21	454 395 16	515 138 02	565 682 80	592 983 63	604 915 00
53	42 512 52	39 334 85	52 932 74	29 140 00	19 971 18	20 762 34	20 691 46
-	-	2 383 04	609 814 73	624 609 15	629 652 39	658 355 27	704 263 18
-	-	-	-	-	-	399 08	826 16
71	2 971 810 36	3 130 160 68	4 514 156 82	4 762 397 83	5 015 538 25	5 098 817 69	5 212 503 34
02	30 112 02	30 112 02	-	-	-	-	-
73	3 001 922 38	3 160 272 70	4 514 156 82	4 762 397 83	5 015 538 25	5 098 817 69	5 212 503 34
31	42 212 31	46 432 82	72 335 42	114 133 36	116 568 95	117 014 44	118 187 62
41	917 541 62	930 838 27	1 071 122 10	1 109 602 67	1 114 333 56	1 179 121 65	1 185 327 52
25	219 424 84	719 516 36	1 059 117 40	1 070 378 29	1 086 720 88	1 181 411 39	1 365 188 87
19	33 685 50	35 747 52	55 746 14	61 089 74	65 890 22	69 511 69	75 227 93
30	181 929 64	187 328 11	313 548 07	334 519 47	355 915 32	359 500 13	453 383 35
66	31 651 527 54	31 936 602 82	41 362 290 02	41 671 595 35	41 774 423 45	46 534 673 30	46 646 907 41
36	2 030 212 87	4 968 614 55	7 970 551 89	7 900 306 61	7 890 354 95	7 973 458 74	8 740 308 45
14	362 097 17	382 314 16	445 560 01	487 393 11	513 370 73	528 960 46	548 721 22
36	3 096 35	2 788 09	8 327 95	23 766 17	42 562 38	51 893 85	46 379 31
98	835 441 727 84	839 210 182 70	852 358 599 00	852 772 784 77	852 960 360 44	857 995 545 65	859 179 631 68

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	I t e m (A)	1 9 3 0	1 9 3 1	1 9 3 2	1 9 3 3	1 9 3 4	1 9 3 5	1 9 3 6
		(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	DISTRIBUTION PLANT							
2	Land and land rights	\$ -	\$ 588 13	\$ 665 53	\$ 677 03	\$ 700 63	\$ 700 63	\$ 700 63
3	Structures and improvements	1 365 79	1 866 82	1 991 91	1 991 91	1 991 91	1 999 11	2 345 19
4	Mains	37 944 50	280 539 74	315 205 41	318 490 95	323 069 04	324 670 23	325 894 89
5	Pumping and regulating equipment	2 075 04	6 843 98	7 763 73	7 822 37	7 898 63	7 544 52	7 544 52
7	Services	5 351 65	27 108 43	33 137 49	35 686 47	39 446 66	41 398 50	43 932 23
8	Meters	9 608 89	40 798 15	35 422 33	36 225 76	39 786 29	43 393 85	45 860 84
9	Meter installations	1 444 00	2 234 55	3 186 70	3 542 27	3 831 47	4 094 96	4 330 42
10	House regulators and installations	1 533 10	10 984 13	8 966 50	9 639 58	10 234 56	11 000 45	12 211 98
12	Other distribution equipment	476 36	476 36	476 36	476 36	476 36	476 36	476 36
3	Totals Distribution Plant	59 799 33	371 440 29	406 815 96	414 552 70	427 435 55	435 278 61	443 297 06
4	GENERAL PLANT							
5	General office structures	5 141 26	9 284 51	9 284 51	9 292 64	9 292 64	8 901 86	3 797 17
6	Office furniture and equipment	42 508 91	57 701 46	58 091 32	56 006 70	52 972 79	52 561 23	57 478 18
7	Transportation equipment	68 195 83	103 422 68	87 072 04	84 203 41	82 896 12	78 278 85	83 450 23
8	Shop equipment	-	530 66	56 86	56 86	56 86	56 86	56 86
9	Laboratory equipment	2 608 48	4 512 49	7 254 72	7 104 72	7 104 72	7 081 92	7 552 48
10	Tools and work equipment	4 021 32	26 647 13	28 970 62	18 444 93	17 868 28	17 824 02	18 126 58
11	Communication equipment	-	381 602 69	366 804 16	367 205 26	367 205 26	364 843 57	368 723 10
12	Miscellaneous equipment	-	101 86	101 86	101 86	101 86	101 86	101 86
3	Totals General Plant	122 475 80	583 803 48	557 636 09	542 416 38	537 498 53	529 650 17	539 286 46
4	UNDISTRIBUTED CONSTRUCTION EXPENDITURES							
6	Engineering and superintendence during construction	-	62 825 67	125 60	125 60	125 60	125 60	125 60
8	Law expenditures during construction	-	84 749 64	104 868 19	104 868 19	104 868 19	104 868 19	104 868 19
10	Interest during construction	7 617 38 *	1 926 972 76	2 381 718 19	2 381 718 19	2 386 153 55	2 386 153 55	2 387 453 97
11	Taxes during construction	-	281 409 98	291 854 91	290 100 93	290 100 93	290 100 93	290 100 93
12	Miscellaneous construction expenditures	5 653 33 *	101 862 59	16 779 32	16 779 32	16 943 63	16 943 63	16 943 63
4	Totals Undistributed Construction Expenditures	13 270 71 *	2 457 820 64	2 795 346 21	2 793 592 23	2 798 191 90	2 798 191 90	2 799 492 32
6	OTHER UNDISTRIBUTED GAS PLANT							
7	Undistributed gas plant	2 160 998 51	26 902 93	29 381 97	29 381 97	29 381 97	19 730 34	19 730 34
8	Total Gas Plant Classified	7 71 851 11	41 815 781 37	42 568 282 91	42 435 049 14	42 594 691 92	42 441 200 52	46 387 074 19
9	Construction work in progress	23 462 003 56	188 808 94	11 801 69	196 147 89	309 70	156 121 08	503 061 42
10	Gas sales and purchase contracts	13 398 402 19	13 409 544 31	3 053 391 53	3 053 391 53	3 053 391 53	3 053 391 53	2 930 286 40
11	Reserve for amortisation of gas sales and purchase contracts	-	-	26 761 93 *	58 876 33 *	90 990 73 *	123 105 13 *	295 731 30 *
13	Other gas sales and purchase contracts	-	-	-	-	-	-	371 076 00
5	Consolidation reduction in investment in subsidiary company	-	-	-	-	32 244 88 *	32 244 88 *	32 244 88
7	GAS PLANT	\$ 14 432 256 86	\$ 55 414 134 62	\$ 45 606 714 20	\$ 45 625 712 23	\$ 45 525 157 54	\$ 45 495 363 07	\$ 49 863 522 83
8	* Denotes red figure							

	1935 (G)	1936 (H)	1937 (I)	1938 (J)	1939 (K)	1940 (L)	1941 (M)
4							
0 63	700 63	700 63	647 93	674 18	674 18	634 44	-
1 91	1 999 11	2 345 19	2 345 19	1 999 11	1 999 11	1 999 11	-
9 04	324 670 23	325 894 89	288 802 85	296 897 70	305 304 37	315 171 01	-
8 63	7 544 52	7 544 52	7 354 55	7 556 60	7 946 87	7 976 42	-
6 66	41 398 50	43 932 23	42 682 97	44 653 58	47 448 19	51 003 90	-
6 29	43 393 85	45 860 84	46 817 97	49 583 62	53 060 05	56 777 98	-
1 47	4 094 96	4 330 42	4 492 85	4 710 56	4 877 65	5 102 59	-
4 56	11 000 45	12 211 98	12 927 25	14 016 80	14 872 20	16 113 72	-
6 36	476 36	476 36	476 36	476 36	476 36	476 36	-
5 55	435 278 61	443 297 06	406 547 92	420 568 51	436 658 98	455 255 53	-
2 64	8 901 86	3 797 17	-	-	-	-	-
2 79	52 561 23	57 478 18	65 681 96	67 375 68	71 564 19	80 018 95	86 093 91
6 12	78 278 85	83 450 23	96 527 78	97 172 16	102 939 59	108 097 47	126 018 86
6 86	56 86	56 86	-	-	-	-	-
4 72	7 081 92	7 552 48	6 869 88	6 869 88	6 619 88	6 619 88	6 550 71
8 28	17 824 02	18 126 58	19 773 44	21 293 40	29 179 13	32 591 73	42 699 88
5 26	364 843 57	368 723 10	369 634 26	368 757 10	369 088 82	369 365 07	371 000 80
1 86	101 86	101 86	101 86	101 86	101 86	101 86	2 097 05
8 53	529 650 17	539 286 46	558 589 18	561 570 08	579 493 47	596 794 96	634 461 21
5 60	125 60	125 60	-	-	-	-	-
8 19	104 868 19	104 868 19	-	-	-	-	-
3 55	2 386 153 55	2 387 453 97	-	-	-	-	-
0 93	290 100 93	290 100 93	-	-	-	-	-
3 63	16 943 63	16 943 63	-	-	-	-	-
1 90	2 790 191 90	2 799 492 32	-	-	-	-	-
1 97	19 730 34	19 730 34	19 730 34	19 730 34	19 730 34	19 730 34	19 730 34
1 92	42 441 200 52	46 387 074 19	58 071 906 95	58 751 335 22	59 226 065 17	64 380 427 86	65 225 927 15
9 70	156 121 03	503 061 42	202 391 84	10 818 15	467 946 74	688 812 12	2 899 093 40
1 53	3 053 391 53	2 930 286 40	2 930 286 40	2 930 286 40	2 930 286 40	2 930 286 40	2 930 286 40
10 73*	123 105 13*	295 731 30*	586 057 20*	879 085 80*	1 172 114 40*	1 465 143 00*	1 758 171 60*
-	-	371 076 00	358 658 20	401 443 07	386 197 00	372 006 38	352 897 28
44 88*	32 244 88*	32 244 88*	-	-	-	-	-
57 54	45 425 363 07	49 863 521 83	60 977 186 19	61 214 797 04	61 838 380 91	66 906 389 76	69 650 032 63

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Exhibit 177
Witness Watkins

5456

Statement Of Gas Produced

Period From April 1, 1932 To December 31, 1941

Supplements Ex 56

M C F

Line No.	Year (A)	Amarillo Field (B)	Hugoton Field (C)	Other (D)	Totals (1) and (2) (E)
1	1932 (3)	1 225 165	1 077 042	247 042	2 549 809
2	1933	2 541 947	2 115 348	272 371	4 929 666
3	1934	4 405 133	2 177 399	204 973	6 787 505
4	1935	5 816 410	2 452 716	117 513	8 386 639
5	1936	9 057 076	4 359 663	110 974	13 527 713
6	1937	11 919 995	5 498 296	93 424	17 511 624
7	1938	12 457 776	4 342 590	58 636	16 859 002
8	1939	16 176 715	5 679 973	49 188	21 905 876
9	1940	19 743 030	6 796 044	39 683	26 578 757
10	Cumulative Totals	83 343 247	34 499 541	1 193 403	119 036 591
11	Average (8 3/4 yr)	9 524 942	3 942 805	136 435	13 604 182
12	1941	22 708 705	7 317 038	33 278	30 059 021

(1) As measured (1934 Absolute pressure base)

(2) Includes royalty for subsequent to November 1, 1936

(3) 9 Months - April 1 to December 31, 1932

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	Year (A)	Amarillo			Hugoton			Other		
		MCF (B)	Average Cost Per MCF (C)	Amount (D)	MCF (E)	Average Cost Per MCF (F)	Amount (G)	MCF (H)	Average Cost Per MCF (I)	Amount (J)
1	1932 (3)	612 266	3.64	\$ 22 302 59	484 553	5.00	\$ 24 227 70	1 830 196	8.03	\$ 147 039 97
2	1933	1 861 430	3.60	66 957 24	1 153 149	4.89	56 437 21	2 160 632	8.03	173 600 42
3	1934	2 611 228	3.62	94 553 37	1 066 427	4.86	51 878 80	1 978 784	8.02	158 741 56
4	1935	2 861 540	3.65	104 317 84	1 326 558	4.88	64 770 46	2 031 941	8.04	163 364 92
5	1936	6 546 660	3.56	233 193 31	3 343 376	4.73	158 242 11	1 499 565	8.09	121 010 22
6	1937	11 031 392	3.46	381 636 55	9 326 824	4.37	407 196 45	1 263 958	8.06	101 852 51
7	1938	12 137 053	3.47	421 552 29	7 809 441	4.18	326 219 92	1 920 786	8.03	154 155 65
8	1939	14 862 274	3.48	517 454 31	8 630 176	4.22	364 516 64	1 450 541	7.99	115 901 98
9	1940	16 427 962	3.48	571 248 06	9 891 450	4.26	421 395 43	1 218 356	8.00	97 463 34
10	Cumulative									
11	Totals	68 951 805	3.50	\$2 413 215 56	43 031 954	4.36	\$1 874 884 72	15 354 759	8.03	\$1 233 130 57
12	Average									
13	(8-3/4 yr)	7 880 206	3.50	\$ 275 796 06	4 917 938	4.36	\$ 214 272 54	1 754 830	8.03	\$ 140 929 21
14	1941	18 519 753	3.47	\$ 642 600 50	10 484 014	4.27	\$ 447 317 35	1 133 642	8.03	\$ 90 993 78

15 (1) As measured (16.4# Absolute pressure base)

16 (2) Includes royalty gas prior to November 1, 1936

17 (3) 9 Months April 1 to December 31, 1932

EXHIBIT 178. 15408

WITNESS WATKINS

IARY COMPANIES

STATEMENT OF GAS PURCHASED
PERIOD FROM APRIL 1, 1932 TO DECEMBER 31, 1941*Supplement to Ex 57*

1 d			Totals (1) and (2)		
MCF (H)	Other Average Cost Per MCF (I)	Amount (J)	MCF (K)	Average Cost Per MCF (L)	Amount (M)
30 196	8.03	\$ 147 039 97	2 927 015	6.61	\$ 193 570 26
60 632	8.03	173 600 42	5 175 211	5.74	296 994 87
78 784	8.02	158 741 56	5 656 439	5.40	305 173 73
31 941	8.04	163 364 92	6 220 039	5.34	332 453 22
99 565	8.09	121 010 22	11 389 601	4.50	512 445 64
63 958	8.06	101 852 51	21 622 174	4.12	890 685 51
20 786	8.03	154 155 65	21 867 280	4.12	901 927 86
50 541	7.99	115 901 98	24 942 991	4.00	997 872 93
18 356	8.00	97 463 34	27 537 768	3.96	1 090 106 83
54 759	8.03	\$1 233 130 57	127 338 518	4.34	\$5 521 230 85
54 830	8.03	\$ 140 929 21	14 552 974	4.34	\$ 630 997 81
33 642	8.03	\$ 90 993 78	30 137 409	3.92	\$1 180 917 63

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	Year (A)	Residential			Commercial			Industrial			Bal.
		MCF (B)	Average Per MCF (C)	Amount (D)	MCF (E)	Average Per MCF (F)	Amount (G)	MCF (H)	Average Per MCF (I)	Amount (J)	
1	1932 (1)	68 710	72.86	\$ 50 062 15	44 240	47.96	\$ 21 216 11	471 706	17.91	\$ 84 483 86	3 469 86
2	1933	120 789	73.51	88 797 13	76 174	47.64	36 288 86	1 978 329	13.96	276 078 89	9 275 86
3	1934	133 856	73.30	98 110 55	86 596	47.81	41 399 29	2 227 730	14.00	311 800 72	10 983 44
4	1935	161 494	72.54	117 149 15	109 977	46.55	51 193 60	2 205 048	15.98	332 444 94	13 394 86
5	1936	184 970	69.92	129 336 48	128 406	45.18	58 019 01	3 480 449	16.48	573 015 64	22 648 86
6	1937	206 259	69.69	143 748 69	142 103	45.30	64 371 17	3 145 623	17.50	550 506 69	36 373 86
7	1938	195 191	71.55	139 653 30	126 361	45.86	57 952 18	2 975 257	15.75	468 461 94	37 675 86
8	1939	213 383	71.01	151 525 26	136 298	45.92	62 586 92	3 759 850	15.35	599 835 37	44 875 86
9	1940	278 037	66.98	186 018 44	172 617	44.32	76 497 50	4 039 833	15.66	673 091 89	51 841 86
10	Cumulative Totals	1 562 689	70.67	\$1 104 401 15	1 022 772	45.91	\$469 518 04	24 283 625	15.94	\$3 869 719 94	233 231 72
11	Average (8-3/4 Yr.)	178 593	70.67	\$ 126 217 28	116 888	45.91	\$ 53 659 21	2 775 272	15.94	\$ 442 253 71	26 655 00
12	1941	13 780	68.55	\$ 9 446 77	531	54.69	\$ 290 39	5 358 169	17.00	\$ 910 723 20	58 311 00

13 (1) 9 Months - April 1 to December 31, 1932.

EXHIBIT

SUBSIDIARY COMPANIES

WITNESS WATKINS

STATEMENT OF GAS REVENUE

PERIOD FROM APRIL 1, 1932 TO DECEMBER 31, 1941

Supplement to Exhibit

Sales to Gas Utilities				O t t e r				T o t a l s			
Amount	MCF	Average	Amount	MCF	Average	Amount	MCF	Average	Amount		
(J)	(K)	Per MCF	(M)	(N)	Per MCF	(P)	(Q)	Per MCF	(R)	(S)	
4 483 86	9 455 608	21.78	\$ 1 190 466 87	-	-	-	6 050 264	22.25	\$1 746 228 39		
6 078 89	9 275 286	21.71	2 013 712 39	13 037	11.67	1 521 95	11 463 415	21.08	2 416 397 62		
1 800 72	10 983 472	21.73	2 386 428 87	65 995	10.80	7 195 20	13 497 649	21.08	2 844 934 63		
2 444 94	13 394 691	21.35	2 859 427 43	108 180	10.79	11 667 68	15 979 390	21.10	3 371 882 80		
3 015 94	22 646 017	22.18	5 021 821 23	308 089	10.87	33 495 95	26 747 931	21.74	5 815 682 51		
3 505 69	26 873 685	22.76	8 415 974 84	339 292	11.26	38 220 56	40 806 962	22.58	9 212 821 95		
4 461 94	37 675 240	23.48	8 847 855 14	213 713	12.65	27 045 29	41 185 762	23.17	9 540 967 85		
9 835 37	44 975 241	23.64	10 631 445 06	147 600	10.84	15 995 70	49 233 072	23.26	11 461 348 31		
3 091 89	51 841 745	23.58	12 222 934 95	62 430	13.93	8 698 95	56 304 762	23.35	13 167 241 73		
9 719 94	233 231 785	22.98	\$53 590 065 78	1 258 336	11.43	\$143 841 28	261 359 207	22.34	\$59 177 346 19		
2 253 71	26 825 361	22.98	\$ 6 124 578 94	243 810	11.43	\$ 16 439 00	29 869 624	22.64	\$ 6 763 148 34		
0 723 28	58 321 064	23.61	\$13 767 475 58	3 275	10.00	\$ 327 30	63 686 819	23.06	\$14 688 263 44		

PANHANDLE EASTERN PIPE LINE COMPANY AND SU

Line No.	Period (A)	Texas		Oklahoma		Kansas		Missouri		I
		MCF (B)	Amount (C)	MCF (D)	Amount (E)	MCF (F)	Amount (G)	MCF (H)	Amount (I)	
1	1932 (1)	6 161	\$ 2 503 44	-	\$ -	1 876 199	\$ 280 091 16	1 601 225	\$ 387 926 63	1 371 294
2	1933	17 620	4 232 62	-	-	2 690 596	430 111 09	3 903 073	771 343 49	3 240 689
3	1934	37 149	6 624 59	-	-	2 845 106	449 272 17	4 150 615	819 274 06	4 738 430
4	1935	58 429	8 779 01	-	-	2 866 513	468 871 27	4 785 846	965 842 26	5 898 948
5	1936	122 866	15 684 22	10 538	1 053 80	2 366 928	398 186 44	6 806 318	1 375 477 12	7 254 476
6	1937	94 356	12 484 40	4 299	429 90	1 400 042	215 662 62	8 144 361	1 674 233 20	7 554 821
7	1938	62 319	10 248 55	4 028	604 20	1 326 677	198 894 60	8 419 584	1 664 090 85	6 601 142
8	1939	105 887	13 587 36	-	-	2 373 262	391 645 04	8 009 919	1 610 196 14	7 398 929
9	1940	11 168	4 429 10	-	-	2 109 478	336 712 70	8 860 840	1 815 299 29	8 557 633
10	Accumulative									
11	Totals	515 955	878 573 29	18 865	\$2 087 90	19 854 801	\$3 169 447 09	54 681 721	\$11 083 683 04	52 616 362
12	Average (8 1/2 yr)	58 966	\$ 8 979 81	2 156	\$ 238 62	2 269 120	\$ 362 222 53	6 249 346	\$ 1 266 706 63	6 013 299
13	1941	11 585	\$ 4 737 34	135	\$ 82 13	2 154 412	\$ 293 892 68	10 388 923	\$ 1 995 330 83	9 128 718

14 (1) 9 Months - April 1 to December 31, 1932

EXHIBIT

180

5461 15410

WITNESS WATKINS

EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

STATEMENT OF GAS REVENUE BY STATES

PERIOD FROM APRIL 1, 1932 TO DECEMBER 31, 1941

Supplementing Ex 59

Missouri		Illinois		Indiana		Michigan		Ohio		Total	
Amount (I)	MCF (J)	Amount (K)	MCF (L)	Amount (M)	MCF (N)	Amount (O)	MCF (P)	Amount (Q)	MCF (R)	Amount (S)	
225 \$ 387 926 63	1 371 294	\$ 460 538 46	1 195 385	\$ 215 169 30	-	\$ -	-	\$ -	6 050 264	\$ 1 346 228	
073 771 343 49	3 240 689	920 651 76	1 611 437	290 058 66	-	-	-	-	11 463 415	2 416 397	
615 819 274 06	4 738 430	1 259 020 99	1 726 349	310 742 82	-	-	-	-	13 497 649	2 844 934	
846 965 842 26	5 898 948	1 501 852 54	2 369 654	426 537 72	-	-	-	-	15 979 390	3 371 882	
318 1 375 477 12	7 254 476	1 853 085 13	6 229 747	1 206 799 40	3 957 058	965 396 20	-	-	26 747 931	5 815 682	
361 1 674 233 20	7 554 821	1 966 080 17	7 639 485	1 512 673 60	15 969 598	3 831 258 06	-	-	40 806 962	9 212 821	
584 1 664 090 85	6 601 142	1 799 224 12	8 739 715	1 844 611 96	16 032 297	4 023 293 57	-	-	41 185 762	9 540 967	
919 1 610 196 14	7 398 929	1 958 935 75	12 898 106	2 651 992 67	18 391 954	4 821 758 05	55 015	13 273 30	49 233 072	11 461 388	
840 1 815 299 29	8 557 633	2 136 358 88	14 423 677	3 046 931 11	22 281 273	5 788 666 57	150 693	38 844 08	56 394 762	13 167 241	
781 \$11 083 683 04	52 616 362	\$13 855 747 80	56 833 555	\$11 505 517 24	76 632 180	\$19 430 372 45	205 708	\$52 117 38	261 359 207	\$59 177 541	
346 \$ 1 266 706 63	6 013 299	\$ 1 583 514 03	6 495 264	\$ 1 314 916 25	8 757 963	\$ 2 220 614 00	23 510	\$ 5 956 27	29 869 624	\$ 6 753 147	
923 \$ 1 995 330 83	9 128 718	\$ 2 274 676 74	17 631 087	\$ 3 704 538 87	24 170 883	\$ 6 362 171 62	201 076	\$52 833 23	63 686 819	\$14 688 26	

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Net Additions To Gas Plant — Per Books
From October 1, 1938 To December 31, 1941

Supplements Ex 72

Line No.	(A)	Amount (B)
1	Production System Property	
2	Production System Leaseholds	
3	Gas Wells and Equipment	\$ 23,764 52
4	Production System Structures	451 179 38
5	Drilling and Cleaning Equipment	17 888 74
		7 548 25
6	Total Production System	437 755 37
7	Transmission System Property	
8	Transmission System Land	10 306 50
9	Transmission System Right of Way	75 536 98
10	Transmission Measuring and Regulating Station Structures	14 933 39
11	Other Transmission System Structures	123 221 58
12	Transmission Measuring and Regulation Station Equipment	77 712 14
13	Transmission Mains	5 052 972 02
14	Compressor Stations	1 128 254 57
15	Other Transmission System Equipment	31 494 31
16	Total Transmission System	6 514 411 49
17	Distribution System Property	
18	Distribution System Right of Way	652 43
19	District Regulator Structures	1 135 18
20	Other Distribution Structures	1 311 57
21	District Regulator Equipment	7 402 45
22	Distribution Mains	295 462 06
23	Services	42 682 07
24	Meters	46 880 00
25	Meter Installations	4 489 80
26	House Regulators and Installations	12 823 20
27	Other Distribution System Equipment	470 30
28	Total Distribution System	413 315 90
29	Gasoline Production System Property	
30	Gasoline Plant and Dehydration	80 423 21 8
31	Total Gasoline Production System	80 423 21
32	General System Property	
33	General Office Equipment	19 721 56
34	General Garage Equipment	33 690 69

35	General Laboratory Equipment	319 17
36	General Communication Equipment	3 016 47
37	General Tools and Implements	21 525 45
38	Other General Property	2 097 05
39	Total General Property	79 732 02
40	Intangible Fixed Capital	
41	Preliminary and Organization Expense	34 683 11
42	Construction Work in Progress	2 835 878 02
43	Total	\$9 500 201 10

[fol. 15412]

Exhibit 182

Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Comparative Statement Of Depreciation, Depletion And Amortization
Of Unoperated Leases Authorized By Board Of Directors And The
Amount Booked For The Years 1937, 1938, 1939, 1940 And 1941

Depreciation, Depletion and Amortization
of Unoperated Leases

Line No.	Year (A)	Authorized By Board of Directors (B)	Amount Booked (C)
1	1937	\$1 350 000	\$1 384 387 07
2	1938	1 700 000	1 728 607 16
3	1939	1 800 000	1 870 699 86
4	1940	1 900 000	1 880 889 87
5	1941	2 100 000	2 102 857 31

[fol. 15413]

Exhibit 183

Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Statement Showing Amount Of Depreciation Claimed in
Federal Income Tax Returns And Settlement Basis
For The Nine Months Ended December 31, 1932
And The Years 1933 To 1940, Inclusive

Line No.	Period (A)	Per Returns (B)	Settlement Basis (C)
1	Nine months ended December 31, 1932	\$1 153 541 97	—(1)
2	Year 1933	1 550 071 34	—(1)
3	Year 1934	1 227 146 14	—(1)
4	Year 1935	1 226 955 42	—(1)

5	Year 1936	1 603 350 20	\$1 516 747 08
6	Year 1937	2 102 724 38	1 925 222 82
7	Year 1938	2 367 216 03	2 175 488 11
8	Year 1939	2 381 293 48	2 186 243 66
9	Year 1940	2 640 225 34	2 301 752 34 (2)

10 . Notes:

- 11 (1) Returns filed during these periods were not examined as there
 12 was not any net income subject to tax.
- 13 (2) Return for the year 1940 has not been examined but depreciation
 14 has been computed on the settlement basis.

[Vol. 15414]

Exhibit 184.

Comparative Statement Of State, Local And Miscellaneous

Federal Taxes Paid With Amounts Accrued
Years 1936, 1937, 1938, 1939 And 1940

Year	Taxes Accrued	Taxes Paid	Difference
1936	\$ 360 293 90	\$ 316 612 07	\$43 681 83
1937	412 961 36	380 394 06	32 567 30
1938	577 888 16	603 090 72	25 202 56
1939	675 477 83	641 883 01	33 594 82
1940	612 871 48	627 962 62	15 091 14
	<u>\$2 639 492 73</u>	<u>\$2 569 942 48</u>	<u>\$69 550 25 (1)</u>

- (1) Includes \$56,220.34 State Income Tax expensed in years 1936 and 1937, the accrual for which was transferred to account entitled, "Other Reserves".

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	(A)	1936 (B)	1937 (C)	1938 (D)	
1	<u>Federal Income and Excess Profits</u>				
2	Federal Income	\$149 790 03	\$ 426 21	\$ 541 792 37	\$ 8
3	Federal Excess - Profits				
4	Total Federal Income and Excess Profits	149 790 03	426 21	541 792 37	8
5	<u>State, Local and Miscellaneous Federal</u>				
6	Ad valorem	263 519 68	283 103 57	466 925 40	4
7	Franchise	4 186 26	6 455 32	11 435 96	
8	Sales and Use	20 91	3 846 29	3 139 71	
9	Production	8 658 56	12 954 68	14 490 12	
10	Social Security	5 714 71	28 442 29	35 752 69	
11	State Income	3 277 54	48 84	18 440 16	
12	Federal Capital Stock	31 095 00	45 087 00	52 800 00	
13	Miscellaneous	139 41	456 07	106 68	
14	Total State, Local and Miscellaneous Federal	316 612 07	380 394 06	603 090 72	6
15	Total Taxes Paid	\$466 402 10	\$380 820 27	\$1 144 883 09	\$1 4

EXHIBIT

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WITNESS

WATKINS

STATEMENT OF TAXES PAID
FOR THE YEARS

1936, 1937, 1938, 1939 AND 1940

RY COMPANIES

<u>1938</u> (D)	<u>1939</u> (E)	<u>1940</u> (F)
\$ 541 792 37	\$ 824 496 52	\$1 375 275 49 321 119 26
<hr/> 541 792 37	<hr/> 824 496 52	<hr/> 1 696 394 75
466 925 40	471 248 13	441 430 89
11 435 96	12 110 21	13 817 35
3 139 71	12 312 96	7 490 05
14 490 12	19 126 47	22 116 22
35 752 69	38 757 75	42 540 56
18 440 16	34 709 21	31 430 46
52 800 00	53 568 00	69 094 30
106 68	50 28	42 79
<hr/> 603 090 72	<hr/> 641 883 01	<hr/> 627 962 62
<hr/> \$1 144 883 09	<hr/> \$1 466 379 53	<hr/> \$2 324 357 37

Exhibit 186

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
RECONCILEMENT FEDERAL INCOME AND FEDERAL EXCESS-PROFITS TAXES PAID WITH AMOUNTS ACCRUED
YEARS 1936, 1937, 1938, 1939 AND 1940

	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
Federal Income Taxes - Per Statement of Taxes Paid	\$149 790 03	\$ 426 21	\$541 792 37	\$824 496 52	\$1 375 275
Add:					
Taxes expensed, the accrual for which was transferred to account entitled, "Other Reserves"	76 580 60	492 000 00			
Amount refunded in year 1942 at completion of Revenue Agents examination	3 629 37				
Taxes applicable to years other than in which accrued			640 09	601 53	
Taxes accrued and unpaid pending Revenue Agents examination					61 924
	<hr/> 230 000 00	<hr/> 492 426 21	<hr/> 542 432 46	<hr/> 825 098 05	<hr/> 1 437 200
Deduct:					
Additional assessments paid in year 1942 at completion of Revenue Agents examination			29 006 25	4 598 05	
Taxes applicable to years other than in which paid		426 21		213 88	601
	<hr/> \$230 000 00	<hr/> \$492 000 00	<hr/> \$513 426 21	<hr/> \$820 286 12	<hr/> \$1 436 598
Federal Income Tax - Per Exhibit 49, Schedule 1, Line 19					
Federal Excess-Profits - Per Statement of Taxes Paid					\$321 119
Add:					
Taxes accrued and unpaid pending Revenue Agents examination					239 880
					<hr/> \$561 000
Federal Excess-Profits Tax - Per Exhibit 49, Schedule 1, Line 20					

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Statement Concerning Contract With
Missouri Power & Light Company

Line
No.

- 1 Date of original contract May 19, 1930
- 2 Original contract with Panhandle Eastern Pipe Line Company
- 3 Date of first service May 7, 1931
- 4 Date of subsequent amendment August 19, 1935
- 5 Service now rendered under Rate Schedule EPC No. 28

Statement Of Sales

Year	MCF	Amount
1931	83 291	\$ 25 545 48
1932	505 845	119 186 49
1933	1 171 433	226 679 93
1934	1 509 973	269 779 70
1935	1 803 559	315 757 91
1936	2 472 792	462 487 62
1937	3 094 121	546 699 85
1938	2 968 936	524 813 52
1939	3 215 133	585 505 80
1940	3 524 163	635 958 67
1941	3 987 981	721 817 13
Totals	24 137 530	\$1 464 262 13

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Statement Concerning Contract With
Illinois Iowa Power Company
(Formerly Illinois Power & Light Company)

Line
No.

- 1 Date of original contract May 19, 1930
- 2 Original contract with Panhandle Eastern Pipe Line Company
- 3 Date of assignment August 22, 1930 From
- 4 Panhandle Eastern Pipe Line Company to
- 5 Panhandle Illinois Pipe Line Company
- 6 Date of first service January 2, 1932
- 7 Service now rendered under Rate Schedule EPC No. 5

Statement of Sales

	Year	MCF	Amount
10	1932	506 215	\$ 783 518 95
11	1933	764 597	263 953 45
12	1934	1 286 751	451 710 27
13	1935	1 035 615	329 751 35
14	1936	1 350 048	418 693 33
15	1937	1 341 015	419 951 35
16	1938	1 258 788	405 370 64
17	1939	1 440 548	437 287 97
18	1940	1 698 668	475 685 61
19	1941	1 848 878	511 994 43
20	Totals	12 531 153	\$3 897 917 35

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Exhibit 187

Page 3

Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies
 Statement Concerning Contract With
 Caterpillar Tractor Company

Line No.	
1	Date of original contract June 20, 1930
2	Original contract with Missouri-Kansas Pipe Line Company
3	Date of assignment August 22, 1930 From
4	Missouri-Kansas Pipe Line Company to
5	Panhandle Illinois Pipe Line Company
6	Original contract cancelled February 6, 1933
7	Initial service Through Central Illinois Light Company
8	under contract dated October 3, 1932
9	September 9, 1933, then under filed
10	rate schedules
11	Service now rendered under Rate Schedule EPC No. 4

Statement Of Sales

	Year	MCF	Amount
14	1932	(1)	(1)
15	1933	38 485	\$ 8 719 90
16	1934	70 233	14 441 94
17	1935	135 810	26 215 80
18	1936	220 134	41 424 12
19	1937	261 249	48 798 79
20	1938	182 283	34 184 76

21	1939	273 835	50 664 30
22	1940	337 191	60 597 33
23	1941	401 526	79 395 10
24	Totals	1 920 695	\$355 472 34

25 (1) Deliveries started late in 1932 through Central Illinois Light Company
 26 and sales not separated until 1933.

66, 154451

Exhibit 187

Page 4

Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies
 Statement Concerning Contract With
 Keystone Steel & Wire Company

Line

No.

1	Date of original contract	June 12, 1930
2	Original contract with	Missouri-Kansas Pipe Line Company
3	Date of assignment	August 22, 1930 — From
4		Missouri-Kansas Pipe Line Company to
5		Panhandle Illinois Pipe Line Company
6	Original contract cancelled	February 2, 1933
7	Initial service	Through Central Illinois Light Company
8		under contract dated October 3, 1931
9		to September 9, 1933, then under filed
10		rate schedules
11	Service now rendered under	Rate Schedule EPC No. 4

12 Statement Of Sales

13	Year	MCF	Amount
14	1932..	(1)	(1)
15	1933	987 382	\$ 155 622 50
16	1934	1 537 047	239 557 05
17	1935	2 034 822	314 223 30
18	1936	2 342 597	364 372 02
19	1937	2 298 576	403 772 89
20	1938	1 597 573	272 959 56
21	1939	1 789 060	304 554 94
22	1940	1 906 541	318 902 11
23	1941	2 066 051	340 944 99
24	Totals	16 559 649	\$2 714 909 45

25 (1) Deliveries started in October 1932 through Central Illinois Light
 26 Company and sales not separated until 1933.

[fol. 15449]

Exhibit 187

Page 5

Witness: Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Statement Concerning Contract With
R. Herschel Manufacturing Company

Line
No.

- 1 Date of original contract June 20, 1930
2 Original contract with Missouri-Kansas Pipe Line Company
3 Date of assignment August 22, 1930 From
4 Missouri-Kansas Pipe Line Company to
5 Panhandle Illinois Pipe Line Company
6 Original contract cancelled February 3, 1933.
7 Initial sale Through Central Illinois Light Company
8 under contract dated October 3, 1931 to
9 September 9, 1933, then under filed
10 rate schedules.
11 Service now rendered under Rate Schedule EPC No. 4

Statement Of Sales

Line No.	Year	MCP.	Amount
13			
14	1932	(1)	(1)
15	1933		
16	1934	5 936	\$ 2 247 60
17	1935	31 796	7 454 46
18	1936	32 272	7 392 40
19	1937	31 248	7 448 33
20	1938	24 328	5 437 56
21	1939	26 332	5 863 86
22	1940	28 910	6 254 92
23	1941	27 536	5 872 68
24	Totals	208 358	\$ 47 671 81

- 25 (1) Deliveries started in 1932 through Central Illinois Light Company
26 on experimental basis and regular deliveries began in 1934.

[fol. 15452]

Exhibit 187.

Page 6.

Witness: Watkins.

Panhandle Eastern Pipe Line Company and Subsidiary
Companies.

Statement Concerning Contract With Peoria Malleable
Castings Company.

Line
No.

- 1 Date of original contract June 19, 1930

2. Original contract with Missouri-Kansas Pipe Line Company
3. Date of assignment August 22, 1930—From
4. Missouri-Kansas Pipe Line Company to
5. Panhandle Illinois Pipe Line Company
6. Contract cancelled February 6, 1933
7. Sales None

[fol. 15458.]

Exhibit 488.

Annual Report for 1940.

Panhandle Eastern Pipe Line Company.

To The Stockholders:

This is the Annual Report of operations of your Company for the year 1940. Included in this report is the consolidated balance sheet of the Company and its subsidiaries as of December 31, 1940, together with consolidated income statement, surplus account and operating statistics (main line system only) for the year 1940, with certain explanatory notes attached thereto. For comparison the income statement and operating statistics for the year 1939 are also given.

Operations.

Gross revenues for the year 1940 were again the largest in the history of the Company and amounted to \$13,535,452.79, as compared with \$11,996,769.23 in 1939, an increase of \$1,538,683.56 or about 13%.

Notwithstanding the very large increase (\$1,177,000) in Federal Taxes during the year 1940, referred to elsewhere in this report, net income for the year, after all charges but before dividends on any class of stock, was \$4,548,323.98, as compared with \$4,363,399.34 in 1939.

Provision for Depreciation, Depletion and Amortization.

The provision for depreciation, depletion and amortization (including amortization of gas sales and purchase contracts) for the year 1940 was \$2,210,000, substantially the same as for the previous year. Your manage-

ment's judgment that this amount is a reasonable provision for this purpose has been confirmed by an independent consulting engineer.

Taxes.

The total amount which had to be set aside from the operations of your Company for the payment of taxes for the year 1940 was \$2,610,469.95. Out of every dollar of Gross Revenue, approximately 20 cents had to be put aside for taxes.

Federal taxes increased approximately \$1,177,000, of which approximately \$929,000 resulted from new Federal taxes, principally excess profit taxes and an increase in rates during the year 1940.

Construction.

Continuing the Company's policy of expanding its facilities to serve its market requirements, your Company, during the year 1940, authorized a \$2,900,000 construction program in addition to the \$3,500,000 program authorized near the end of 1939. These programs included the addition of approximately 245 miles of 24 inch, 22 inch, 20 inch, and 18 inch main pipe line continuing the looping program of our original line, the construction of a new 3,900 horsepower Compressor Station at Hanford, Texas, the installation of an additional 1,300 horsepower unit at the Sneed, Texas Compressor Station, the installation of an additional 1,000 horsepower unit at the Glenarm, Illinois Compressor Station, and the enlargement of the combination gasoline and dehydration plant near Liberal, Kansas. The completion of these construction programs substantially increased the transmission capacity. In addition the Company expended approximately \$500,000 for normal routine items.

Capital Changes.

The 1,285 unsubscribed shares of the Company's Common Stock referred to in the 1939 Annual Report are still in litigation.

Since the end of the year 1940 your Company consummated the refinancing of its First Mortgage and First Lien Bonds, Series A, 4%, due March 1, 1952, through the sale

of \$5,000,000 principal amount of Serial Notes, due serially [fol. 15460] November 1, 1942 to November 1, 1945, inclusive, \$6,250,000 principal amount of First Mortgage and First Lien Bonds, Series A, due serially November 1, 1946 to November 1, 1950, inclusive, and \$12,000,000 principal amount of First Mortgage and First Lien 3% Bonds, Series B, due November 1, 1960, and on February 3, 1941 your Company authorized the redemption of its 4% Bonds prior to or after redemption date of March 5, 1941.

The general effect of these transactions was to lower the interest rate on your Company's outstanding long-term debt (the cost of the new money averaging approximately 2.71%). Also, among other things, it effected a change in the sinking fund provisions so as to make available added amounts of cash during the next few years, extended the final maturity of the funded debt to twenty years, and in the judgment of your management provided an improved medium for possible future senior financing.

Dividends

During the year 1940 the Company paid dividends on its Preferred and Common Stock amounting to \$3,485,784.51, of which \$660,000 represented regular dividends at the rate of \$6.00 per share on the Class A and Class B Preferred Stock, \$403,683.51 represented Participating Dividends on the Class A Preferred Stock, and \$2,422,101 on the Common Stock which amounted to \$3.00 per share on the 807,367 shares of such stock outstanding.

On January 25, 1941 a dividend of one share of the Capital Stock of Central Distributing Company, at a valuation of forty-two cents (42c) per share, to and for each share of Common Stock of your Company, was declared and paid. The aggregate valuation of such dividend was \$339,094.14.

General.

By virtue of the declaration of its shares as a dividend on the Common Stock of your Company, as above referred to, Central Distributing Company ceased to be a subsidiary of your Company on January 25, 1941. This is another step in corporate simplification.

The maximum obligation of your Company for deliveries under its contract dated August 31, 1935, with Michigan [fol. 15461] Consolidated Gas Company (formerly Detroit City Gas Company), was changed on June 29, 1940, through a supplemental contract, from one hundred million (100,000,000) to one hundred twenty-five million (125,000,000) cubic feet of gas per day.

The year end finds the Company in a comfortable financial position.

By Order of the Board of Directors

J. D. CREVELING,

President.

Dover, Delaware, February 28, 1941.

[fol. 15472]

Exhibit 189

N

Annual Report for 1941.

Panhandle Eastern Pipe Line Company.

To the Stockholders:

This is the Annual Report of operations of your Company for the year 1941. Included in this report is the consolidated balance sheet of the Company and its subsidiary as of December 31, 1941, together with consolidated income statement, surplus account and operating statistics (main line system only) for the year 1941, with certain explanatory notes attached thereto. For comparison the income statement and operating statistics for the year 1940 are also given.

Operations.

Gross revenues for the year 1941 amounted to \$15,434,856.73, as compared with \$13,535,452.79 in 1940, and were again the largest in the history of the Company. The increase amounted to \$1,899,403.94, or 14%. Had not the Company had the benefit for tax purposes of special deductions amounting to \$823,881.49, referred to elsewhere in this report, there would have been an increase of slightly more than \$1,535,000 in Federal taxes during the year 1941.

Net income was \$4,804,492.74, as compared with \$4,548,323.98 in 1940.

Provision for Depreciation, Depletion and Amortization.

The amount set aside during the year 1941 as provision for depreciation, depletion and amortization (including amortization of gas sales and purchase contracts) was \$2,435,000. This compared with \$2,210,000 for the previous year. The basis was unchanged, the increase resulting from a greater amount of depreciable properties. The judgment of your management that this amount is a reasonable provision for this purpose has been confirmed by an independent consulting engineer.

Taxes.

Through an unbroken sequence of years your Company's tax bill has grown steadily until for the year 1941 the total amount set aside from its operations for the payment of taxes for that year amounted to \$3,323,622.93 and had not it had the benefit for tax purposes of deductions for discount, premium and expense resulting from the refinancing of long-term debt (the tax equivalent of which is shown in the comparative consolidated income statement on Page 13 as "Charges in lieu of Federal income and excess profits taxes) the total tax cost for the year 1941 would have been \$4,147,504.42; an increase of \$1,537,034.47 over the year 1940 and would have represented 27 cents out of every dollar of Gross Revenue and would have lacked only \$656,988.32 of being as much as the total net income for the year 1941.

Market Development.

During the year your management has pursued a conservative yet constructive course in its efforts to achieve a part of its goal with respect to ultimate economic market development which it reasonably could hope and expect to reach and as a consequence entered into a contract with Consumers Power Company whereby, among other things, it has agreed to supply a major part of the natural gas requirements of the Power Company for distribution in its Flint, Pontiac, Jackson, Kalamazoo, Owosso and Battle Creek Divisions. In addition, it consummated a contract

with Citizens Gas Fuel Company and Battle Creek Gas Company pursuant to which the natural gas requirements of Adrian and Battle Creek, Michigan will be supplied to these Companies. The construction of facilities necessary to connect these markets is expected to be completed by the middle of the year 1942.

Deliveries began during the year 1941 to Richmond Gas Corporation and Greenfield Gas Company, Inc. for distribution in Richmond and Greenfield, Indiana, respectively.

Illinois Natural Gas Company, your Company's wholly owned subsidiary, is constructing lateral lines in the State of Illinois for the purpose of supplying the natural gas requirements of Galesburg, Abingdon and Knoxville, Illinois and hopes to be able to commence the construction of a lateral line to Bloomington, Illinois as soon as material is available.

[fol. 15474]

Construction.

In order to extend natural gas service to a number of communities in the States of Illinois, Indiana and Michigan and to continue your Company's policy of expanding its facilities to adequately serve presently connected markets, it authorized certain construction work during the year 1941 involving expenditures in excess of \$9,000,000, a large part of which is now in progress. This program included the construction of approximately 256 miles of 20", 18", 16" and 12 3/4" transmission lines in the State of Michigan for the purpose of fulfilling contractual obligations mentioned elsewhere herein and the construction of 146 miles of 26" 24" and 20" transmission lines as a continuation of the looping program of the Company's original line, as well as the installation of additional gas driven compressors in the Company's Pleasant Hill, Glenarm and Tuscola Compressor Stations. This was in addition to expenditures of approximately \$700,000 for normal routine items. Your management expects that all of this construction work will be completed during the summer of 1942.

Property Acquisitions.

With the approval of the Securities and Exchange Commission, your Company, on February 6, 1942, sold and

issued after competitive bidding, \$10,000,000 principal amount of its First Mortgage and First Lien 3% Bonds, Series C, and \$15,000,000 aggregate par value of its 5.60% Cumulative Preferred Stock and with the proceeds has now redeemed its \$10,000,000 aggregate par value of Class A Preferred Stock and has acquired all of the stock and indebtedness of Michigan Gas Transmission Corporation and of Indiana Gas Distribution Corporation, and certain pipe lines previously belonging to The Ohio Fuel Gas Company, the amount paid by your Company for such properties being approximately \$11,207,000. The Bonds were sold at 100.92% of principal amount and accrued interest, and the new Preferred Stock was sold at \$100.2789 per share and accrued dividends. The balance of the net proceeds of the financing amounting to approximately \$3,600,000, will be applied to the payment of a part of the cost of construction work now in progress.

Michigan Gas Transmission Corporation owns a system of natural gas transmission lines, compressor stations and equipment located in the States of Indiana, Ohio and Michigan. Its principal lines and stations consist of two lines (1—20" line and 1—24" line) extending from the former eastern terminus of your Company's system (a point in Vermillion County, Indiana near Dana, Indiana) to a point near Zionsville, Indiana, a distance of approximately 70 miles, an 18" line extending therefrom to a point near Muncie, Indiana, a distance of approximately 52 miles, a 22" line extending from near Zionsville, Indiana, to a point at or near Detroit, Michigan, a distance of approximately 230 miles, and three compressor stations in Indiana—Montezuma (7500 horsepower), Zionsville (6500 horsepower), and Edgerton (6500 horsepower).

Indiana Gas Distribution Corporation distributes natural gas at retail to approximately 1800 residential and commercial customers located in various small towns in Indiana.

The principal transmission lines acquired from The Ohio Fuel Gas Company consist of approximately 33 miles of 16" line extending generally eastward from a point near Muncie, Indiana, to a point approximately 2½ miles east

of the Indiana-Ohio boundary, together with certain laterals branching therefrom. The principal branch lines are a 10" line approximately 13 miles in length extending to a point near Richmond, Indiana, and a 6" and 6½" line approximately 7 miles in length extending to Winchester, Indiana.

The effect of the acquisition of these properties by your Company will be to increase earnings, remove operating problems and enable your management to deal directly with the distributing organizations in the States of Indiana, Ohio and Michigan.

Capital Changes

The 1,285 unsubscribed shares of the Company's Common Stock referred to in the Annual Reports of 1939 and 1940 are still in litigation.

A report of the refinancing consummated by your Company on February 3, 1941 was included in the Annual Report for the year 1940 and there is included elsewhere in this report a brief description of the new securities (3% Bonds and 5.60% Cumulative Preferred Stock) issued and sold as of February 6, 1942, together with the fact of the redemption of the Class A Preferred Stock.

Regulatory Matters:

Public Utility Holding Company Act of 1935:

Following hearings before the Securities and Exchange Commission under the Public Utility Holding Company [Vol. 15476] Act of 1935, your Company was held to be, for the purposes of such Act, a subsidiary of Columbia Gas & Electric Corporation (a registered holding company) and of Columbia Oil & Gasoline Corporation.

Federal Power Commission:

In May, 1941, the Federal Power Commission instituted a proceeding with respect to the reasonableness of the rates charged by your Company and Michigan Gas Transmission Corporation. A similar proceeding was instituted by the City of Detroit and the County of Wayne, and these two proceedings have been consolidated by the Commis-

sion and testimony is being taken therein. Also, Michigan Consolidated Gas Company has instituted a proceeding with respect to your Company's rates, and hearings have been concluded, but the Commission has not yet issued its order thereon. Your Company is unable now to determine the extent to which its rates, business or earnings will be affected by the Natural Gas Act or as a result of these proceedings.

Unamortized Debt Discount and Expense.

During the year your Board of Directors authorized the charging to earned surplus of the unamortized debt discount and expense and call premiums applicable to refunded issues and the discount and expense applicable to outstanding issues amounting to \$1,960,748.37. Amortization of these amounts out of earnings had been at the rate of approximately \$300,000 per year.

Dividends.

During the year 1941 the Company paid dividends on its Preferred and Common Stock amounting to \$3,353,914.56, of which \$669,000 represented regular dividends at the rate of \$6.00 per share on the Class A and Class B Preferred Stock, \$336,402.92 represented Participating Dividends on the Class A Preferred Stock, and \$2,357,511.64 representing dividends on the Common Stock which amounted to \$2.50 per share in cash and forty-two cents (42c) per share in property (Capital Stock of Central Distributing Company) on the 807,367 shares of such stock outstanding.

General.

In cooperation with law enforcement authorities and to more fully insure an uninterrupted supply of gas for defense production and for essential purposes your Company took special precautions during the year for the protection of its properties. We will undoubtedly face many serious problems as a result of the entrance of the United States into World War II, the exact effect of such conditions upon the business and operations of your Company cannot now be foretold, but as in the past we shall strive to properly meet these problems as they arise and at the same time maintain the same safe continuity of service to the Company's customers as heretofore.

While this has been a trying year because of special problems presented, such problems have not been permitted to interfere with operations - work perhaps of a less spectacular nature but of no less importance to the stockholders. The year has been a productive period for which each individual member of your organization is entitled to credit, and it is pleasing for your management to have this opportunity to acknowledge with thanks their unflagging interest, contribution of time, thought and energy.

The year end finds the Company in a comfortable financial position.

By Order of the Board of Directors

J. D. CREVELING,

President.

Dover, Delaware, February 25, 1942.

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Panhandle Eastern Pipe Line Company And Subsidiary Companies
Comparative Statement Of Operation And Maintenance Expenses

Year Ended December 31,

Line No.	(A)	1940 (B)	1941 (C)
1	Natural Gas Production Expenses		
2	Operation:		
3	733 Supervision and Engineering	\$ 21 805 63	\$ 24 354 19
4	734 1 Gas well labor	6 631 74	6 062 97
5	734 2 Field line labor	11 634 85	12 559 39
6	734 31 Field compressor station labor		46 00
7	734 32 Field measuring and regulating station labor	12 583 54	11 525 85
9	734 4 Other production labor	11 493 18	11 139 71
10	735 1 Gas well supplies and expenses	6 382 74	5 450 42
11	735 2 Field line supplies and expenses	4 088 34	5 191 97
12	735 31 Field compressor station supplies and expenses		40 21
13	735 32 Field measuring and regulating station supplies and expenses	4 326 10	4 042 30
15	735 4 Other supplies and expenses	4 857 29	7 654 62
16	510 Delay rentals	101 344 57	116 780 63
17	745 Gas well royalties	143 341 99	171 043 82
18	746 Natural gas rents	325 00	400 09
20	Total Operation	328 814 97	376 292 17
21	Maintenance:		
22	739 Supervision and Engineering	3 684 72	7 537 37
23	740 22 Field measuring and regulating station structures	628 22	210 35
24	740 3 Other production system structures	1 605 56	2 297 42
25	741 Producing gas well equipment	10 467 78	6 800 41
26	742 1 Field lines	3 840 50	8 027 48
27	742 21 Compressor station equipment		8 50
28	742 22 Field measuring and regulating station equipment	1 835 84	1 865 17
29	743 Drilling and cleaning equipment	49 99	311 72
30	744 Other natural gas property	69 10	64 67
32	Total Maintenance	22 181 71	27 123 09
34	Other Production Expenses:		
35	747 2 Residuals operation expenses	189 488 61	212 878 28
36	754 1 Gas purchased — natural gas	1 090 106 83	1 180 917 63
37	755 Purchased gas expense	28 753 87	25 270 25
38	Total Other Production Expenses	1 308 349 31	1 419 066 16
39	Total Natural Gas Production Expenses	1 659 345 99	1 822 481 42
40	Before Duplicate Charges — Credit	4 931 62	645 534 52
41	Less: Duplicate Charges — Credit		
42	Total Natural Gas Production Expenses	\$1 042 414 37	\$1 176 946 90

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Comparative Statement Of Operation And Maintenance Expenses

Line No.	(A)	Year Ended December 31:	
		1940 (B)	1941 (C)
1	Transmission Expenses		
2	Operation:		
3	758 Supervision and Engineering	\$ 78,637 64	\$ 93,608 95
4	759 111 Pumping station — labor	262 016 06	312 647 90
5	759 112 Measuring and regulating station — labor		
6		22 555 44	22 328 47
7	759 121 Pumping station — supplies and expenses	540 564 92	584 212 67
8	759 122 Measuring and regulating station — supplies and expenses	10 948 79	12 080 54
9			
10	759 21 Transmission mains — labor	65 733 59	84 944 95
11	759 22 Transmission mains — supplies and expenses		
12		36 732 65	51 314 77
13	763 2 Rents	6 620 67	7 463 28
14	Total Operation	1 023 809 76	1 168 601 53
15	Maintenance		
16	760 Supervision and Engineering	33 652 96	37 821 93
17	761 1 Pumping station structures	16 081 05	19 679 66
18	761 2 Measuring and regulating station structures		
19		2 318 06	2 874 73
20	761 3 Other transmission system structures	3 005 12	2 459 45
21	762 1 Mains	33 643 85	71 574 61
22	762 21 Pumping station equipment	116 225 73	131 865 33
23	762 22 Measuring and regulating station equipment		
24		14 031 59	15 252 87
25	762 23 Other transmission system equipment	5 045 44	5 455 11
26	Total Maintenance	224 003 80	286 983 69
27	Total Transmission Expenses Before Joint Expenses & Credit	1 247 813 56	1 455 585 22
28	Less: Joint Expenses — Credit	18 000 00	13 200 00
29			
30	Total Transmission Expenses	\$1 229 813 56	\$1 442 385 22
31	Distribution Expenses		
32	Operation	\$ 19 966 22	
33	Maintenance	5 063 03	
34	Total Distribution Expenses	\$ 25 029 25	

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Comparative Statement Of Operation And Maintenance Expenses

Line No.	(A)	Year Ended December 31:	
		1940 (B)	1941 (C)
1	Customers' Accounting and Collecting Expenses		
2			
3	780 1 Customers' contracts and orders	\$ 12 75	
4	780 3 Meter reading	9 032 52	\$ 6 565 43
5	780 4 Collecting	2 378 46	302 88
6	781 Customers' billing and accounting	8 740 83	6 296 21
7	782 Miscellaneous expenses	2 186 02	
8	783 Uncollectible accounts	10 800 00	10 800 00
9	Total Customers' Accounting and Collecting Expenses	33 150 58	23 964 52
10			
11	Sales Promotion Expenses		
12	785 Supervision	11 410 88	11 779 46
13	786 Salaries and commissions	9 970 63	10 697 24
14	787 2 Advertising	232 74	5 00
15	787 3 Miscellaneous sales expenses		

3	758	Supervision and Engineering	\$ 78,637 64	\$ 93,608 95
4	759 111	Pumping station — labor	262,016 06	312,647 90
5	759 112	Measuring and regulating station — labor		
6			22,555 44	22,328 47
7	759 121	Pumping station — supplies and expenses	540,564 92	584,212 67
	759 122	Measuring and regulating station — supplies and expenses	10,948 79	12,080 54
10	759 21	Transmission mains — labor	65,733 59	84,944 95
11	759 22	Transmission mains — supplies and expenses		
12			36,732 65	51,314 77
13	763 2	Rents	6,620 67	7,463 28
14		Total Operation	1,023,809 76	1,168,601 53
15		Maintenance		
16	760	Supervision and Engineering	33,652 96	37,821 93
17	761 1	Pumping station structures	16,081 05	19,679 66
18	761 2	Measuring and regulating station structures		
19			2,818 06	2,874 73
20	761 3	Other transmission system structures	3,005 12	2,459 45
21	762 1	Mains	33,643 85	71,574 61
22	762 21	Pumping station equipment	116,225 73	131,865 33
23	762 22	Measuring and regulating station equipment		
24			44,031 59	15,252 87
25	762 23	Other transmission system equipment	5,045 44	5,455 11
26		Total Maintenance	224,003 80	286,983 69
27		Total Transmission Expenses Before Joint Expenses— Credit		
28			1,247,813 56	1,455,585 22
29		Less: Joint Expenses — Credit	18,000 00	13,200 00
30		Total Transmission Expenses	\$1,229,813 56	\$1,442,385 22
31		Distribution Expenses		
32		Operation	\$ 19,966 22	
33		Maintenance	5,063 63	
34		Total Distribution Expenses	\$ 25,029 25	

[fol. 15488]

Exhibit 190

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Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Comparative Statement Of Operation And Maintenance Expenses

Line No.	(A)	Year Ended December 31,	
		1940 (B)	1941 (C)
1	Customers' Accounting and Collecting		
2	Expenses		
3	780 1 Customers' contracts and orders	\$ 12 75	
4	780 3 Meter reading	9,032 52	\$ 6,565 43
5	780 4 Collecting	2,378 46	302 88
6	781 Customers' billing and accounting	8,740 83	6,296 21
7	782 Miscellaneous expenses	2,186 02	
8	783 Uncollectible accounts	10,800 00	10,800 00
9	Total Customers' Accounting and Collecting		
10	Expenses	33,150 58	22,964 52
11	Sales Promotion Expenses		
12	785 Supervision	11,410 88	11,779 46
13	786 Salaries and commissions	9,979 63	10,697 24
14	787 2 Advertising	232 74	5 00
15	787 3 Miscellaneous sales expenses	452 12	239 39
16	Total Sales Promotion Expenses	\$ 22,066 37	\$ 22,721 09

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Comparative Statement Of Operation And Maintenance Expenses

Line No.	(A)	Year Ended December 31,	
		1940 (B)	1941 (C)
1	Administrative and General Expenses		
2	790 Salaries of general officers and		
3	executives	\$ 88 000 00	\$ 94 654 17
4	791 Other general office salaries	135 156 75	158 681 49
5	792 Expenses of general officers and		
6	general office employees	30 889 22	27 136 40
7	793 General office supplies and expenses	46 021 09	36 021 80
8	795 Special services	19 572 84	22 358 80
9	796 Special legal services	76 018 19	53 322 07
10	798 Insurance	10 602 38	12 054 52
11	799 Injuries and damages	30 120 70	27 412 49
12	800 Employees' welfare and pension		
13	expenses	479 778 46	190 148 01
14	801 Miscellaneous general expenses	50 449 56	63 482 26
15	802 2 Maintenance of office furniture and		
16	equipment	2 571 83	1 242 18
17	803 Rents	27 804 40	32 879 13
18	805 Franchise requirements	363 68	
19	Total Administrative and General Expenses		
20	Before Credits	697 349 10	719 393 32
21	Less: Duplicate Miscellaneous Charges and		
22	Administrative and General Expenses		
23	Transferred — Credit	57 540 54	3 570 94
24	Total Administrative and General Expenses	639 808 56	715 822 38
25	Non-Operating Revenue Deductions	8 481 83	10 986 94
26	Total Operation and Maintenance Expenses	\$3 000 764 52	\$3 392 827 05

Panhandle Eastern Pipe Line Company

Reconciliation Of Net Income Per Books With Net Income Per Federal Income Tax Return
For The Year 1939

Line No.	(A)	(B)	(C)
1	Net income per books		\$4 347 696 70
2	<u>Additions:</u>		
3	Provision for Federal income tax	\$ 800 000 00	
4	Provision for injuries and damages	9 600 00	
5	Provision for uncollectible accounts	4 800 00	
6	Gain from sale of business assets, credited		
7	to depreciation reserve on books	103 86	
8	Excess of book provision for amortization of		
9	unoperated leaseholds over deduction claimed	10 318 31	
10	Excess of book provision for state income taxes		
11	over deduction claimed	15 886 72	
12	Excess of book provision for amortization of		
13	debt discount and expense over deduction claimed	191 141 67	
14	Expenses in connection with capital stock issue		
15	not an allowable deduction for income tax		
16	purposes	20 902 77	
17	Gain from sale of gas purchase contract deferred		
18	on books	2 000 00	
19	Protested Texas franchise tax for years 1938 and		
20	1939 expensed on books but not deducted on return:		
21	Year 1938	\$13 305 38	
22	Year 1939	10 310 40	23 615 78
23	Deductions claimed in prior year return (1938),		
24	expensed on books	19 421 72	1 097 790 83
25			5 445 487 53
26	<u>Deductions:</u>		
27	Excess of deduction claimed for depreciation		
28	over book provision	\$ 153 053 56	
29	Excess of deduction claimed for depletion		
30	over book provision	127 221 41	
31	Cost of acidizing gas wells capitalized	35 625 51	
32	Productive well drilling costs capitalized	145 733 55	
33	Expense in connection with surrendering leases	22 85	
34	Unrecovered cost of leases surrendered	1 938 31	
35	Federal capital stock tax adjustment	3 203 00	
36	Damages to property sustained	550 00	
37	Uncollectible accounts charged-off	37 50	
38	Amortization of Creve Couer line extension costs	4 061 04	
39	Inventory adjustments	2 315 17	
40	Collections on balances in closed banks previously		
41	charged-off on books but not deducted on returns	174 30	473 935 70
42	Net income per Federal income tax return as adjusted		
43	by Bureau of Internal Revenue		\$4 971 551 83

Panhandle Eastern Pipe Line Company

Reconciliation Of Net Income Per Books With Net Income Per Federal Income Tax Return
For The Year 1940

Line	(A)	(B)	(C)
1	Net income per books		\$4 451 742.42
2	<u>Additions:</u>		
3	Provision for Federal income tax	\$1 400 000 00	
4	Provision for Federal excess-profits tax	560 000 00	
5	Provision for injuries and damages	12 000 00	
6	Provision for uncollectible accounts	7 200 00	
7	Gain from sale of business assets, credited		
8	to depreciation reserve on books	89 13	
9	Excess of book provision for amortization of		
10	unoperated leaseholds over deduction claimed	6 166 83	
11	Excess of book provision for state income		
12	taxes over deduction claimed	14 701 04	
13	Refinancing costs incurred in 1940 and charged		
14	expense on books, allowable for tax purposes		
15	only through amortization over the life of		
16	the issue	67 053 00	
17	Excess of book provision for amortization of		
18	debt discount and expense over deduction		
19	claimed	188 997 70	2 256 207 70
20			6 707 950 12
21	<u>Deductions:</u>		
22	Excess of deduction claimed for depreciation		
23	over book provision	715 162 16	
24	Excess of deduction claimed for depletion		
25	over book provision	172 205 81	
26	Cost of acidizing gas wells capitalized	7 831 68	
27	Social security taxes capitalized	6 012 46	
28	Interest expense capitalized	36 827 80	
29	Productive well drilling costs capitalized	79 224 75	
30	Property removal costs	2 368 89	
31	Expense in connection with surrendering leases	59 41	
32	Unrecovered cost of leases surrendered	15 057 71	
33	Federal capital stock tax adjustment	21 337 00	
34	Damages to property sustained	64 44	
35	Uncollectible accounts charged-off	3 00	
36	Amortization of Creve Coeur line extension		
37	costs	4 055 40	
38	Collections on balances in closed banks pre-		
39	viously charged off on books but not de-		
40	ducted on returns	83 45	
41	Gain from sale of gas purchase contract reported		
42	as income in 1939 return but reported on books		
43	in 1940	2 000 00	
44	Refund of 1938 and 1939 protested Texas fran-		
45	chise taxes not expensed in prior returns as		
46	adjusted by Internal Revenue Agent:		
47	Year 1938	\$11 820 38	
48	Year 1939	10 310 40	22 130 78
49	Net income per Federal income tax return		\$5 623 525 38

50 Note: The Federal income and excess-profits tax returns for
51 the year 1940 have not been examined by the Bureau of Internal Revenue.

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES (1)

Line No.	(A)	December 31						
		1932 (B)	1933 (C)	1934 (D)	1935 (E)	1936 (F)	1937 (G)	1938 (H)
1	<u>Balance Beginning of Period</u>	\$292 914 29	\$456 482 03	\$963 977 36	\$1 528 075 10	\$2 072 859 67	\$2 629 318 41	\$3 629 990 5
2	<u>Retirements</u>							
3	Production	16 170 67	72 338 04	19 883 20	43 394 51	24 255 23	59 739 83	6 863 0
4	Transmission	133 958 82	30 886 56	27 004 76	27 243 31	78 375 42	144 137 47	25 884 3
5	General	-	1 323 80	2 415 69	77 75	897 40	1 598 32	1 562 6
6		150 129 49	104 548 40	49 303 65	70 715 57	103 528 05	205 475 62	34 310 0
7		142 784 80	351 933 63	914 673 71	1 457 359 53	1 969 331 62	2 423 842 79	3 595 680 44
8	<u>Annual Provision</u>	313 697 23	612 043 73	613 401 39	615 500 14	659 986 79	1 206 147 71	1 566 061 70
9	<u>Balance End of Period</u>	\$456 482 03	\$963 977 36	\$1 528 075 10	\$2 072 859 67	\$2 629 318 41	\$3 629 990 50	\$5 161 742 2

- 10 Notes
- 11 (1) Includes Only:
- 12 Panhandle Eastern Pipe Line Company
- 13 Illinois Natural Gas Company
- 14 Panhandle Illinois Pipe Line Company
- 15 Texas Interstate Pipe Line Company

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DIARY COMPANIES (1)

WITNESS WATKINS

ANALYSIS OF RESERVE
FOR DEPRECIATION OF GAS PLANT

ber 31	1936 (F)	1937 (G)	1938 (H)	1939 (I)	1940 (J)	June 30, 1941 (K)
	072 859 67	\$2 629 318 41	\$3 629 990 50	\$5 161 742 23	\$6 860 826 16	\$8 345 186 09
24 255 23	59 739 83	6 863 00	17 462 56	23 152 36	3 734 23	
78 375 42	144 137 47	25 884 39	26 290 97	195 763 37	10 027 53	
897 40	1 598 32	1 562 67	4 586 60	5 469 31	1 705 50	
103 528 05	205 475 62	34 310 06	48 340 13	224 385 04	15 467 26	
369 331 62	2 423 842 79	3 595 680 44	5 113 402 10	6 636 441 12	8 329 718 83	
59 986 79	1 206 147 71	1 566 061 79	1 747 424 06	1 708 744 97	992 870 00	
29 318 41	\$3 629 990 50	\$5 161 742 23	\$6 860 826 16	\$8 345 186 09	\$9 322 588 83	

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
ANALYSIS OF RETIREMENTS
CHARGED TO RESERVE FOR DEPRECIATION OF GAS PLANT

Line No.	(A)	Production (B)	Transmission (C)	General (D)	Total (E)
1	<u>Year 1932</u> (Nine months beginning March 31)				
2					
3	Cost of Gas Plant	\$143 258 65	\$154 360 34	\$ 29 75	\$297 648 74
4	Cost of Removal	17 782 03	2 266 63	-	20 048 66
5		161 040 68	156 626 97	29 75	317 697 40
6	Less Salvage	144 870 01	22 668 15	29 75	167 567 91
7	Net Charge to Reserve	16 170 67	133 958 82	-	150 129 49
8	<u>Year 1933</u>				
9	Cost of Gas Plant	89 532 98	35 710 77	5 184 84	130 428 59
10	Cost of Removal	3 543 26	665 76	-	4 209 02
11		93 076 24	36 376 53	5 184 84	134 637 61
12	Less Salvage	20 738 20	5 489 97	3 861 04	30 089 21
13	Net Charge to Reserve	72 338 04	30 886 56	1 323 80	104 548 40
14	<u>Year 1934</u>				
15	Cost of Gas Plant	48 742 44	41 653 01	2 680 27	93 075 72
16	Cost of Removal	3 571 55	2 627 55	-	6 199 10
17		52 313 99	44 280 56	2 680 27	99 274 82
18	Less Salvage	32 430 79	17 275 80	264 58	49 971 17
19	Net Charge to Reserve	19 883 20	27 004 76	2 415 69	49 303 65
20	<u>Year 1935</u>				
21	Cost of Gas Plant	61 648 03	45 769 87	166 74	107 584 64
22	Cost of Removal	2 768 82	2 601 27	-	5 370 09
23		64 416 85	48 371 14	166 74	112 954 73
24	Less Salvage	21 022 34	21 127 83	88 99	42 239 16
25	Net Charge to Reserve	43 394 51	27 243 31	77 75	70 715 57
26	<u>Year 1936</u>				
27	Cost of Gas Plant	72 600 13	128 840 97	1 837 16	203 278 26
28	Cost of Removal	3 556 15	8 248 40	26 37	11 830 92
29		76 156 28	137 089 37	1 863 53	215 109 18
30	Less Salvage	51 901 05	58 713 95	966 13	111 581 13
31	Net Charge to Reserve	24 255 23	78 375 42	897 40	103 528 05
32	<u>Year 1937</u>				
33	Cost of Gas Plant	79 417 02	228 703 03	1 705 79	309 825 84
34	Cost of Removal	3 202 36	14 228 37	-	17 430 73
35		82 619 38	242 931 40	1 705 79	327 256 57
36	Less Salvage	22 879 55	98 793 93	107 47	121 780 95
37	Net Charge to Reserve	59 739 83	144 137 47	1 598 32	205 475 62

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
ANALYSIS OF RETIREMENTS
CHARGED TO RESERVE FOR DEPRECIATION OF GAS PLANT

Line No.	(A)	Production (B)	Transmission (C)	General (D)	Total (E)
1	<u>Year 1938</u>				
2	Cost of Gas Plant	\$ 39 288 46	\$ 27 517 30	\$ 3 662 20	\$ 70 467 96
3	Cost of Removal	4 685 40	1 440 24	122 35	6 247 99
4		43 973 86	28 957 54	3 784 55	76 715 95
5	Less Salvage	37 110 86	3 073 15	2 221 88	42 405 89
6	Net Charge to Reserve	6 863 00	25 884 39	1 562 67	34 310 06
7	<u>Year 1939</u>				
8	Cost of Gas Plant	35 144 13	36 618 44	5 215 22	76 977 79
9	Cost of Removal	2 478 78	2 735 42	34 58	5 248 78
10		37 622 91	39 353 86	5 249 80	82 226 57
11	Less Salvage	20 160 35	13 062 89	663 20	33 886 44
12	Net Charge to Reserve	17 462 56	26 290 97	4 586 60	48 340 13
13	<u>Year 1940</u>				
14	Cost of Gas Plant	42 216 14	251 411 40	6 302 64	299 930 18
15	Cost of Removal	3 406 59	8 762 58	-	12 169 17
16		45 622 73	260 173 98	6 302 64	312 099 35
17	Less Salvage	22 470 37	64 410 61	833 33	87 714 31
18	Net Charge to Reserve	23 152 36	195 763 37	5 469 31	224 385 04
19	<u>Year 1941 (Six months end-</u>				
20	<u>ing June 30)</u>				
21	Cost of Gas Plant	12 206 12	15 945 42	1 963 98	30 115 52
22	Cost of Removal	1 431 39	679 21	18 83	2 129 43
23		13 637 51	16 624 63	1 982 81	32 244 95
24	Less Salvage	9 903 28	6 597 10	247 31	16 747 69
25	Net Charge to Reserve	3 734 23	10 027 53	1 705 50	15 467 26

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
 PRO FORMA CONSOLIDATED BALANCE SHEET
 AS OF DECEMBER 31, 1941
 GIVING EFFECT TO FINANCING TRANSACTIONS
 CONSUMMATED ON FEBRUARY 6, 1942
 AND THE ACQUISITION ON THAT DATE OF CAPITAL STOCK AND DEBT OF
 MICHIGAN GAS TRANSMISSION CORPORATION AND
 INDIANA GAS DISTRIBUTION CORPORATION
 AND PURCHASE OF CERTAIN PROPERTY OF OHIO FUEL GAS COMPANY

<u>A S S E T S</u>	<u>Combined</u>	<u>Adjustments and Eliminations</u>		<u>Consolidated</u>
		<u>Debit</u>	<u>Credit</u>	
GAS PLANT	\$82 652 330 74	\$ 439 326 08(2)	\$ 139 500 00(6)	\$82 952 156 82
INVESTMENTS AND FUND ACCOUNTS				
Investment in Securities of Associated Companies	2 635 391 43	8 331 715 02(2)	10 967 106 45(6)	-
Advance to Associated Companies		2 435 000 00(2)	2 435 000 00(6)	-
Other Investments	2 954 498 52			2 954 498 52(1)
Total Investments and Fund Accounts	5 589 889 95	10 766 715 02	13 402 106 45	2 954 498 52
CURRENT AND ACCRUED ASSETS				
Cash	4 168 198 55	25 156 842 93(1)	11 206 937 50(2) 10 059 178 03(3)	8 058 925 90
Special Deposits	102 593 14			102 593 14
Working Funds (Petty Cash and Advances)	16 672 08			16 672 08
Accounts Receivable	3 148 098 20		685 092 26(4) 574 078 57(5)	1 888 927 37
Interest and Dividends Receivable	8 388 47			8 388 47
Material and Supplies	491 234 53			491 234 58
Prepayments	101 380 78			101 380 78
Total Current and Accrued Assets	8 036 565 80	25 156 842 93	22 525 286 41	10 668 122 32
DEFERRED DEBITS				
Clearing Accounts	5 392 99			5 392 99
Other Work in Progress	181 008 54	896 40(2)		181 904 94
Other Deferred Debits	42 641 45			42 641 45
Total Deferred Debits	229 042 98	896 40		229 939 38
TOTAL ASSETS AND OTHER DEBITS	\$96 507 829 47	\$36 363 780 43	\$26 066 892 86	\$96 804 717 04

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
 PRO FORMA CONSOLIDATED BALANCE SHEET
 AS OF DECEMBER 31, 1941
 GIVING EFFECT TO FINANCING TRANSACTIONS
 CONSUMMATED ON FEBRUARY 6, 1942
 AND THE ACQUISITION ON THAT DATE OF CAPITAL STOCK AND DEBT OF
 MICHIGAN GAS TRANSMISSION CORPORATION AND
 INDIANA GAS DISTRIBUTION CORPORATION
 AND PURCHASE OF CERTAIN PROPERTY OF OHIO FUEL GAS COMPANY

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EXHIBIT 194

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WITNESS WA

L I A B I L I T I E S	Combined	Adjustments and Eliminations		Consolidated
		Debit	Credit	
CAPITAL STOCK				
Common Stock	\$25 060 566 43	\$ 4 876 391 43(6)		\$20 184 175 00
Preferred Capital Stock	11 000 000 00	10 000 000 00(3)	\$15 000 000 00(1)	16 000 000 00
Premium and Assessment on Capital Stock	-		42 489 91(1)	42 489 91
Total Capital Stock	36 060 566 43	14 876 391 43	15 042 489 91	36 226 664 91
LONG-TERM DEBT				
Bonds	18 250 000 00		10 000 000 00(1)	28 250 000 00
Advances on Notes	6 026 500 00	6 026 500 00(6)		-
Advances on Open Account	2 435 000 00	2 435 000 00(6)		-
Miscellaneous Long-Term Debt	5 009 789 19			5 009 789 19
Total Long-Term Debt	31 721 289 19	8 461 500 00	10 000 000 00	33 259 789 19
CURRENT AND ACCRUED LIABILITIES				
Accounts Payable	1 857 551 54	685 092 26(4)		1 172 459 28
Accounts Payable to Associated Companies	574 078 57	574 078 57(5)		-
Dividends Declared	905 086 42			905 086 42
Matured Long-Term Debt	96 822 14			96 822 14
Matured Interest	4 230 00			4 230 00
Customers Deposits	1 495 00			1 495 00
Taxes Accrued	3 639 192 80			3 639 192 80
Interest Accrued	90 231 55		29 166 63(1)	119 398 18
Other Current and Accrued Liabilities	5 441 43		83 186 39(1)	88 627 82
Total Current and Accrued Liabilities	7 174 129 45	1 259 170 83	112 353 02	6 027 311 64
DEFERRED CREDITS				
Other Deferred Credits	43 982 92		2 000 00(1)	45 982 92
RESERVES				
Reserve for Depreciation of Gas Plant	✓ 11 770 748 00	36 000 00(6)		11 734 748 00
Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights	✓ 447 164 67			447 164 67
Reserve for Abandoned Leases	✓ 415 074 53			415 074 53
Reserve for Uncollectible Accounts	54 156 24			54 156 24
Injuries and Damages	128 118 38			128 118 38
Other Reserves	944 337 88			944 337 88
TOTAL RESERVES	13 759 599 70	36 000 00		13 723 599 70
CONTRIBUTIONS IN AID OF CONSTRUCTION	55 015 53			55 015 53
SURPLUS				
Capital Surplus	166 162 76	166 162 76(6)		-
Earned Surplus	7 527 083 49	59 178 08(3)		7 466 353 15(2)
Total Surplus	7 693 246 25	226 893 10		7 466 353 15
TOTAL LIABILITIES AND OTHER CREDITS	\$96 507 829 47	\$24 859 955 36	\$25 156 842 93	\$96 804 717 04

[fol. 15496]

Exhibit 194.

Page 3.

Witness Watkins.

Panhandle Eastern Pipe Line Company and
Subsidiary Companies.

Notes to Pro Forma Balance Sheet.

(1) Including \$2,750,000 principal amount of United States Treasury Notes of Texas, Series B-1943 (Tax Anticipation Notes).

(2) Surplus at December 31, 1941, was restricted by the Certificate of Incorporation as to payment of common stock and participating dividends, in the amount of \$3,581,379.41.

[fol. 15497]

Exhibit 194

Page 4

Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Pro Forma Balance Sheet

December 31, 1941.

Adjusting Journal Entries

(1)

Cash	\$25 156 842 93	
Preferred Capital Stock		\$15 000 000 00
Premium and Assessment on Capital Stock		42 489 91
Bonds		10 000 000 00
Interest Accrued		29 166 63
Other Current and Accrued Liabilities		
(Accrued Dividends)		83 186 39
Other Deferred Credits		2 000 00

To record the sale of \$15,000,000 principal amount of 5.00% Cumulative Preferred Stock and \$10,000,000 principal amount of First Mortgage and First Lien 3% Bonds, Series C.

(2)

Gas Plant in Service	\$ 439 326 08	
Investments in Securities of Associated Companies	8 331 715 02	
Advances to Associated Companies	2 435 000 00	
Other Work in Progress	896 40	
Cash		\$11 206 937 50

To record the purchase of stock and debt of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation and certain properties of Ohio Fuel Gas Company.

	(3)	
Preferred Capital Stock	\$10 000 000 00	
Earned Surplus	59 178 08	
Cash		\$10 059 178 08

To, ~~cancel~~ the redemption of the Company's Class A Preferred Stock and the payment of dividends thereon to date of redemption.

	(4)	
Accounts Payable	\$ 685 092 26	
Accounts Receivable		\$ 685 092 26

To eliminate amount of accounts payable to Panhandle Eastern Pipe Line Company for collections to be made for Panhandle's account by Michigan Gas Transmission Corporation.

(fol. 15498)	(5)	
Accounts Payable to Associated Companies	\$ 574 078 57	
Accounts Receivable		\$ 574 078 57

To eliminate current indebtedness due from Subsidiary Companies

	(6)	
Common Stock	\$ 4 876 391 43	
Advances on Notes	6 026 500 00	
Advances on Open Account	2 435 000 00	
Reserve for Depreciation of Gas Plant	36 000 00	
Capital Surplus	166 162 76	
Earned Surplus	1 552 26	
Gas Plant		\$ 139 500 00
Investments in Associated Companies		10 967 106 45
Advances to Associated Companies		2 435 000 00

To eliminate investment of Panhandle Eastern Pipe Line Company in Illinois Natural Gas Company, Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation:

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
PRO FORMA CONSOLIDATED INCOME ACCOUNT (NOTE A)
FOR THE YEAR ENDED DECEMBER 31, 1941

INCOME

	Combined	Adjustments and Eliminations		Consolidated
		Debit	Credit	
Operating Revenues				
Gas	\$22 502 407 95	\$5 460 222 08 (4)		\$17 042 185 87
Gasoline	735 077 94			735 077 94
Miscellaneous	12 309 09			12 309 09
Total Operating Revenues	23 249 794 98	5 460 222 08		17 789 572 90
Operating Revenues Deductions				
Operation and Maintenance	9 289 833 61		\$5 460 222 08 (4)	3 829 611 53
Depreciation (Including Amortization)	2 308 521 00			2 308 521 00
Amortization and Depletion of Producing				
Natural Gas Land and Land Rights	90 177 06			90 177 06
Abandoned Leases	74 685 45			74 685 45
Amortization of Other Limited Term Gas Investments	332 142 69			332 142 69
Charges in Lieu of Federal Income and Excess-Profits Taxes	823 881 49			823 881 49
Taxes				
State, Local and Miscellaneous Federal	901 387 31			901 387 31
Federal Income	1 922 068 72	87 000 00 (1)		2 009 068 72
Federal Excess-Profits	994 278 91	13 000 00 (1)		1 007 278 91
Total Operating Revenues Deductions	16 736 976 24	100 000 00	5 460 222 08	11 376 754 16
Net Operating Revenues	6 512 818 74	5 560 222 08	5 460 222 08	6 412 818 74
OTHER INCOME				
Interest Revenues	18 798 71			18 798 71
Gross Income	6 531 617 45	5 560 222 08	5 460 222 08	6 431 617 45
INCOME DEDUCTIONS				
Interest on Long-Term Debt	1 163 593 65	300 000 00 (2)	511 690 00 (3)	951 903 65
Amortization of Debt Discount and Expense	27 486 70			27 486 70
Other Interest Charges	18 818 68			18 818 68
Interest Charged to Construction (Credit)	15 953 18			15 953 18
Total Income Deductions	1 193 945 85	300 000 00	511 690 00	982 255 85
NET INCOME	\$ 5 337 671 60	\$ 5 860 222 08	\$ 5 971 912 08	\$ 5 449 361 60

[fol. 15500]

Exhibit 195

Page 2

Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Adjustments And Eliminations

Pro Forma Consolidated Income Account

For The Year Ended December 31, 1941

Adjustments

(1)

Increase in Federal income taxes of Panhandle Eastern Pipe Line Company resulting from changes in Net Income

Federal Income—

On dividends \$533,178.86 x 15% x 31% \$ 25 000 00

On net interest \$211,690 x 12.4% 27 000 00

Increase due to adjustment in excess profits taxes 35 000 00 \$ 87 000 00

Federal Excess Profits—

On net interest \$211,690 x 60% 127 000 00

Less: Credit due to adjustment in excess profits credit based on income, resulting from change in company's capital structure

114 000 00 13 000 00

(2)

Increase in interest on long-term debt resulting from the issuance of \$10,000,000

principal amount of First Mortgage and First Lien 3% Bonds, Series C

\$ 300 000 00

(3)

Decrease in interest on long-term debt as the result of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation becoming subsidiaries of Panhandle Eastern Pipe Line Company

\$ 511 690 00

Eliminations

(4)

Operating Revenue — Gas

\$ 5 460 222 08

Operation and Maintenance

\$5 460 222 08

To eliminate gas sold to Subsidiary Companies

Witness Watkins.

Panhandle Eastern Pipe Line Company and Subsidiary Companies, Note A to the Pro Forma Consolidated Income Account for the Year Ended December 31, 1941.

The condensed pro forma statement of consolidated income of the company and its subsidiary, and Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation has been prepared from the books of the companies (1) on the basis that the financing of the cost of the acquisition of the outstanding stock and indebtedness of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, which resulted in annual interest costs of \$300,000, and which was consummated on February 6, 1942, had been effected January 1, 1941, that the interest expense shown as applicable to obligations of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to Columbia Gas and Electric Corporation, their then parent, would have aggregated the same amount had the Panhandle Eastern Pipe Line Company been the parent company and that dividends had been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to the extent of their net income for the year and (2) after giving effect to estimated increases in Federal income taxes, which would have resulted had such interest and dividends been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, to Panhandle Eastern Pipe Line Company to the full extent of their net income.

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
 PRO FORMA CONSOLIDATED INCOME ACCOUNT (NOTE A)
 FOR THE YEAR ENDED DECEMBER 31, 1941
 AS ADJUSTED TO GIVE EFFECT TO FEDERAL INCOME AND FEDERAL
 EXCESS-PROFITS TAX RATES PROPOSED IN RECOMMENDATION OF
 SECRETARY OF TREASURY MORGENTHAU ON MARCH 3, 1942,
 BEFORE HOUSE WAYS AND MEANS COMMITTEE

	Combined	Adjustments and Eliminations		Consolidated
		Debit	Credit	
INCOME				
Operating Revenues				
Gas	\$22,502,407.95	\$5,460,222.08 (5)		\$17,042,185.87
Gasoline	735,077.94			735,077.94
Miscellaneous	12,309.09			12,309.09
Total Operating Revenues	23,249,794.98	5,460,222.08		17,789,572.90
Operating Revenues Deductions				
Operation and Maintenance	9,289,833.61		\$5,460,222.08 (5)	3,829,611.53
Depreciation (Including Amortization)	2,308,521.00			2,308,521.00
Amortization and Depletion of Producing				
Natural Gas Land and Land Rights	90,177.06			90,177.06
Abandoned Leases	74,685.45			74,685.45
Amortization of Other Limited Term Gas Investments	332,142.69			332,142.69
Charges in Lieu of Federal Income and Excess-Profits Taxes	823,881.49	186,118.51 (1)		1,010,000.00
Taxes				
State, Local and Miscellaneous Federal	901,387.31			901,387.31
Federal Income	1,922,068.72	1,325,931.28 (1)		3,400,000.00
		152,000.00 (2)		
		274,721.09 (1)		
Federal Excess-Profit	994,278.91	16,000.00 (2)		1,285,000.00
Total Operating Revenues Deductions	16,736,976.24	1,954,770.88	5,460,222.08	13,231,525.04
Net Operating Revenues	6,512,818.74	7,414,992.96	5,460,222.08	4,558,047.86
OTHER INCOME				
Interest Revenues	18,798.71			18,798.71
Gross Income	6,531,617.45	7,414,992.96	5,460,222.08	4,576,846.57
INCOME DEDUCTIONS				
Interest on Long-Term Debt	1,163,593.65	300,000.00 (3)	511,690.00 (4)	951,903.65
Amortization of Debt Discount and Expense	27,486.70			27,486.70
Other Interest Charges	18,818.68			18,818.68
Interest Charged to Construction (Credit)	15,953.18			15,953.18
Total Income Deductions	1,193,945.85	300,000.00	511,690.00	982,255.85
NET INCOME	\$ 5,337,671.60	\$ 7,114,992.96	\$ 5,971,912.08	\$ 3,594,590.72

[fol. 15503]

Exhibit 196.

Page 2.

Witness Watkins.

Panhandle Eastern Pipe Line Company and Subsidiary Companies, Note A to the Pro Forma Consolidated Income Account for the year ended December 31, 1941.

The condensed pro forma statement of consolidated income of the company and its subsidiary and Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation has been prepared from the books of the companies (1) on the basis that the financing of the cost of the acquisition of the outstanding stock and indebtedness of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, which resulted in annual interest costs of \$300,000, and which was consummated on February 6, 1942, had been effected January 1, 1941, that the interest expense shown as applicable to obligations of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to Columbia Gas and Electric Corporation, their then parent, would have aggregated the same amount had the Panhandle Eastern Pipe Line Company been the parent company and that dividends had been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to the extent of their net income for the year and (2) after giving effect to estimated increases in Federal income taxes, which would have resulted had such interest and dividends been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, to Panhandle Eastern Pipe Line Company to the full extent of their net income.

[fol. 15504]

Exhibit 196

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Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Adjustments And Eliminations

Pro Forma Consolidated Income Account
For The Year Ended December 31, 1941

Giving Effect To Federal Income And Federal
Excess-Profits Tax Rates Proposed In
Recommendation Of Secretary Of Treasury Morgenthau

On March 3, 1942,

Before House Ways And Means Committee

Adjustments

(1)

Increases in Federal Income Tax, Federal Excess-Profits Tax and Charges in Lieu of Federal Income and Excess-Profits Taxes of Panhandle Eastern Pipe Line Company, Illinois Natural Gas Company, Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation resulting from the application of tax rates recommended by Secretary of Treasury Morgenthau on March 3, 1942.

Federal Income Taxes	\$1 325 931 38
Federal Excess-Profits Taxes	274 721 99
Charges in Lieu of Federal Income and Excess-Profits Taxes	186 118 51

(2)

Increase in Federal Income Taxes of Panhandle Eastern Pipe Line Company resulting from changes in Net Income

Federal Income —

On dividends \$333,178.86 x 15% x 55%	\$	44 000 00	
On net interest \$211,690 x 13.75%		29 000 00	
Increase due to adjustment in excess-profits taxes		79 000 00	\$152 000 00

Excess Profits —

On net interest \$211,690 x 75%		159 000 00	
Less: Credit due to adjustment in excess-profits credit based on income, resulting from change in company's capital structure		143 000 00	16 000 00

(3)

Increase in interest on long-term debt resulting from the issuance of \$10,000,000 principal amount of First Mortgage and First Lien 3% Bonds, Series C

	\$	300 000 00
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(4)

Decrease in interest on long-term debt as
the result of Michigan Gas Transmission
Corporation and Indiana Gas Distribution
Corporation becoming subsidiaries of Pan-
handle Eastern Pipe Line Company.

\$ 511,000.00

[6], 15505]

Eliminations

(5)

Operating Revenue - Gas

\$5,400,222.08

Operation and Maintenance

\$5,400,222.08

— To eliminate gas sold to Subsidiary Companies

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
BALANCE SHEET - PER BOOKS
FEBRUARY 28, 1942

A S S E T S

	Combined	Inter-Company Eliminations Debit Credit	Consolidated
GAS PLANT	\$ 85 137 855 47	\$ 139 500 00	\$94 998 355 47
INVESTMENTS AND FUND ACCOUNTS			
Investments in Securities of Associated Companies	11 044 568 47	11 044 568 47	-
Advance to Associated Companies	2 435 000 00	2 435 000 00	-
Other Investments	2 938 862 66	-	2 938 862 66 (1)
Total Investments and Fund Accounts	16 418 431 13	13 479 568 47	2 938 862 66
CURRENT AND ACCRUED ASSETS			
Cash	6 756 730 52		6 756 730 52
Special Deposits	100 017 25		100 017 25
Working Funds (Petty Cash and Advances)	18 197 66		18 197 66
Accounts Receivable	3 749 885 82	769 966 13 (2)	2 353 699 53
Interest and Dividends Receivable	8 035 66	626 220 16 (3)	8 035 66
Material and Supplies	515 951 74		515 951 74
Prepayments	208 856 96		208 856 96
Total Current and Accrued Assets	11 357 675 61	1 396 186 29	9 961 489 32
DEFERRED DEBITS			
Clearing Accounts	14 671 40		14 671 40
Retirement Work in Progress	2 701 47		2 701 47
Other Work in Progress	275 487 49		275 487 49
Other Deferred Debits	60 841 49		60 841 49
Total Deferred Debits	353 701 85		353 701 85
TOTAL ASSETS AND OTHER DEBITS	\$113 267 664 06	\$15 015 254 76	\$98 252 409 30

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
BALANCE SHEET - PER BOOKS
FEBRUARY 28, 1942

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WITNESS WA

LIABILITIES

CAPITAL STOCK

Common Stock
Preferred Capital Stock
Premium and Assessment on Capital Stock
Total Capital Stock

Combined	Inter-Company Eliminations Debit	Credit	Consolidated
\$ 25 060 566 43	\$ 4 876 391 43(1)	\$	\$20 184 175 00
16 000 000 00			16 000 000 00
42 489 93			42 489 93
41 103 056 36	4 876 391 43		36 226 664 93

LONG TERM DEBT

Bonds
Advances on Notes
Advances on Open Account
Miscellaneous Long Term Debt
Total Long Term Debt

28 250 000 00			28 250 000 00
6 026 500 00	6 026 500 00(1)		-
2 435 000 00	2 435 000 00(1)		-
5 006 445 52			5 006 445 52
41 717 945 52	8 461 500 00		33 256 445 52

CURRENT AND ACCRUED LIABILITIES

Accounts Payable
Accounts Payable to Associated Companies
Dividends Declared
Matured Long Term Debt
Matured Interest
Customers' Deposits
Taxes Accrued
Interest Accrued
Other Current and Accrued Liabilities
Total Current and Accrued Liabilities

663 120 02			663 120 02
1 396 186 29	769 966 13(2)		-
	626 220 16(3)		-
94 781 25			94 781 25
3 720 00			3 720 00
1 550 00			1 550 00
4 992 151 66			4 992 151 66
230 348 94			230 348 94
91 909 52			91 909 52
7 473 767 68	1 396 186 29		6 077 581 39

DEFERRED CREDITS

Other Deferred Credits

45 469 99			45 469 99
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RESERVES

Reserve for Depreciation of Gas Plant
Reserve for Amortization and Depletion of
Producing Natural Gas Land and Land Rights
Reserve for Abandoned Leases
Reserve for Uncollectible Accounts
Injuries and Damages
Other Reserves
Total Reserves

12 240 093 89	36 000 00(1)		12 204 093 89
726 258 39 466,187.94			726 258 39 466.18
167 522 23 427,507.68			167 522 23 427.5
57 165 28			57 165 28
132 025 81			132 025 81
956 731 74			956 731 74
14 279 807 34	36 000 00		14 243 807 34

CONTRIBUTIONS IN AID OF CONSTRUCTION

55 015 53			55 015 53
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SURPLUS

Capital Surplus
Earned Surplus
Total Surplus

166 162 76	166 162 76(1)		-
8 426 438 88	79 014 28(1)		8 347 424 60(2)
8 592 601 64	245 177 04		8 347 424 60

TOTAL LIABILITIES AND OTHER CREDITS

\$113 267 664 06	\$15 015 254 76	\$	\$98 252 409 30
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[fol. 15508]

Exhibit 197

Page 3.

Witness Watkins.

Panhandle Eastern Pipe Line Company and Subsidiary
Companies.

Notes to Balance Sheet.

February 28, 1942.

(1) Including \$2,750,000 principal amount of United
States Treasury Notes of Texas, Series B—1943 (Tax An-
ticipation Notes).

(2) Surplus at February 28, 1942, was restricted by the
provisions of the First Supplemental Indenture as to pay-
ment of common stock dividends, in the amount of \$2,906,-
540.64.

[fol. 15509]

Exhibit 197

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Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Balance Sheet — Per Books

February 28, 1942

Inter-Company Eliminations

(1)		
Common Stock	\$4 876 391 43	
Advances on Notes	6 026 500 00	
Advances on Open Account	2 435 000 00	
Reserve for Depreciation of Gas Plant	36 000 00	
Capital Surplus	166 162 76	
Earned Surplus	79 014 28	
Gas Plant		\$ 139 500 00
Investments in Associated Companies		11 044 368 47
Advances to Associated Companies.		2 435 000 00

To eliminate investment of Panhandle
Eastern Pipe Line Company in Illinois
Natural Gas Company, Michigan Gas Trans-
mission Corporation and Indiana Gas Dis-
tribution Corporation.

5518

	(2)	\$ 769 966 13	
Accounts Payable			\$ 769 966 13
Accounts Receivable			

To eliminate amount of accounts payable to Panhandle Eastern Pipe Line Company for collections to be made for Panhandle's account by Michigan Gas Transmission Corporation.

	(3)		
Accounts Payable to Associated Companies	\$ 626 220 16		
Accounts Receivable		\$ 626 220 16	

To eliminate current indebtedness due from Subsidiary Companies

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
 PRO FORMA CONSOLIDATED INCOME ACCOUNT (NOTE A)
 FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 1942

	Combined	Adjustments and Eliminations		Consolidated
		Debits	Credits	
INCOME				
Operating Revenues				
Gas	\$21 231 359 22	\$3 683 887 84(4)		\$17 547 471 38
Gasoline	816 417 10			816 417 10
Miscellaneous	14 489 09			14 489 09
Total Operating Revenues	22 062 265 41	3 683 887 84		18 378 377 57
Operating Revenues Deductions				
Operation and Maintenance Expenses	7 625 150 62		3 683 887 84(4)	3 941 262 78
Depreciation (Including Amortization)	2 317 962 82			2 317 962 82
Amortization and Depletion of Producing				
Natural Gas Land and Land Rights	92 277 05			92 277 05
Abandoned Leases	74 459 60			74 459 60
Amortization of Other Limited Term Gas Investments	332 950 65			332 950 65
Charges in Lieu of Federal Income and Excess-Profits				
Taxes	664 881 49			664 881 49
Taxes				
State, Local and Miscellaneous Federal	895 845 63			895 845 63
Federal Income	2 125 511 20	83 000 00(1)		2 208 511 20
Federal Excess-Profits	1 491 979 63		3 000 00(1)	1 488 979 63
Total Operating Revenues Deductions	15 621 018 69	83 000 00	3 686 887 84	12 017 130 85
Net Operating Revenues	6 441 246 72	3 766 887 84	3 686 887 84	6 361 246 72
OTHER INCOME				
Interest Revenues	55 601 34	35 256 25(5)		20 345 09
Gross Income	6 496 848 06	3 802 144 09	3 686 887 84	6 381 591 81
INCOME DEDUCTIONS				
Interest on Long-Term Debt	1 043 226 38	279 166 66(2)	464 561 25(2)	857 831 79
Interest on Debt to Associated Companies	35 256 25		35 256 25(5)	-
Other Interest Charges	26 321 18			26 321 18
Interest Charged to Construction (Credit)	47 823 10			47 823 10
Total Income Deductions	1 056 980 71	279 166 66	499 817 50	836 329 87
NET INCOME	\$5 439 867 35	\$4 081 310 75	\$4 186 705 34	\$5 545 261 94

[fol. 15511]

Exhibit 198.

Page 2.

Witness Watkins.

Panhandle Eastern Pipe Line Company and Subsidiary Companies, Note A to the Pro Forma Consolidated Income Account for the 12 Months Ended February 28, 1942.

The condensed pro forma statement of consolidated income of the company, Illinois Natural Gas Company, Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation has been prepared from the books of the companies (1) on the basis that the financing of the cost of the acquisition of the outstanding stock and indebtedness of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, which resulted in annual interest costs of \$300,000, and which was consummated on February 6, 1942, had been effected March 1, 1941; that the interest expense shown as applicable to obligations of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to Columbia Gas and Electric Corporation, their parent company until February 6, 1942, would have aggregated the same amount had the Panhandle Eastern Pipe Line Company been the parent company and that dividends had been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to the extent of their net income for the 12 months ended February 28, 1942 and (2) after giving effect to estimated increases in Federal income taxes, which would have resulted had such interest and dividends been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, to Panhandle Eastern Pipe Line Company to the full extent of their net income.

Panhandle Eastern Pipe Line Company And Subsidiary Companies
Adjustments And Eliminations

Pro Forma Consolidated Income Account
For The Twelve Months Ended February 28, 1942

Adjustments

(1)

Increase in Federal Income Taxes of
Panhandle Eastern Pipe Line Company
resulting from changes in Net Income

Federal Income

On Dividends \$532,509.38 x 15% x 31%

\$ 25 000

On Net Interest \$185,394.59 x 12.4%

23 000

Increase due to adjustment in Excess

Profits taxes

35 000

\$83 000

Federal Excess Profits

On Net Interest \$185,394.59 x 60%

111 000

Less: Credit due to adjustment in
Excess Profits credit based on income
resulting from change in Company's
capital structure

114 000

3 000

(2)

Increase in interest on Long-Term Debt
resulting from issuance of \$10,000,000
principal amount of First Mortgage and
First Lien 3% Bonds, Series C

279 166 00

(3)

Decrease in interest on Long-Term Debt
as the result of Michigan Gas Trans-
mission Corporation and Indiana Gas
Distribution Corporation becoming sub-
sidiaries of Panhandle Eastern Pipe
Line Company

464 561 25

Eliminations

(4)

Operating Revenue - Gas

3 683 887 84

Operation and Maintenance

3 683 887 84

To eliminate gas sold to subsidiary
companies

(5)

Interest Revenue

35 256 25

Interest on Debt to Associated
Companies

35 256 25

To eliminate interest due from subsidiary
companies

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
 PRO FORMA CONSOLIDATED INCOME ACCOUNT (NOTE A)
 FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 1942
 AS ADJUSTED TO GIVE EFFECT TO FEDERAL INCOME AND FEDERAL
 EXCESS PROFITS TAX RATES PROPOSED IN RECOMMENDATION OF
 SECRETARY OF TREASURY MORGENTHAU ON MARCH 3, 1942
 BEFORE HOUSE WAYS AND MEANS COMMITTEE

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EXHIBIT 199

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WITNESS WATKIN

	Combined	Adjustments and Eliminations		Consolidated
		Debits	Credits	
INCOME				
Operating Revenues				
Gas	\$21 231 359 22	\$3 683 887 84(5)		\$17 547 471 38
Gasoline	816 417 10			816 417 10
Miscellaneous	14 489 09			14 489 09
Total Operating Revenues	22 062 265 41	3 683 887 84		18 378 377 57
Operating Revenues Deductions				
Operation and Maintenance Expenses	7 625 150 62		\$3 683 887 84(5)	3 941 262 78
Depreciation (Including Amortization)	2 317 962 82			2 317 962 82
Amortization and Depletion of Producing				
Natural Gas Land and Land Rights	92 277 05			92 277 05
Abandoned Leases	74 459 60			74 459 60
Amortization of Other Limited Term Gas Investments	332 950 65			332 950 65
Charges in Lieu of Federal Income and Excess Profits				
Taxes	664 881 49	150 118 51(1)		815 000 00
Taxes				
State, Local and Miscellaneous Federal	895 845 63			895 845 63
Federal Income	2 125 511 20	149 000 00(2)		3 510 000 00
Federal Excess-Profits	1 491 979 63	1 235 488 80(1)		1 872 000 00
		384 020 37(1)	4 000 00(2)	
Total Operating Revenues Deductions	15 621 018 69	1 918 627 68	3 687 887 84	13 851 758 53
Net Operating Revenues	6 441 246 72	5 602 515 52	3 687 887 84	4 526 619 04
OTHER INCOME				
Interest Revenues	55 601 34	35 256 25(6)		20 345 09
Gross Income	6 496 848 06	5 637 771 77	3 687 887 84	4 546 964 13
INCOME DEDUCTIONS				
Interest on Long Term Debt.	1 043 226 38	279 166 66(3)	464 561 25(4)	857 831 79
Interest on Debt to Associated Companies	35 256 25		35 256 25(6)	
Other Interest Charges	26 321 18			26 321 18
Interest Charged to Construction (Credit)	47 823 10			47 823 10
Total Income Deductions	1 056 980 71	279 166 66	499 817 50	836 329 87
NET INCOME	\$ 5 439 867 35	\$5 916 938 43	\$4 187 705 34	\$ 3 710 634 26

Witness Watkins.

Panhandle Eastern Pipe Line Company and Subsidiary Companies, Note A to the Pro Forma Consolidated Income Account for the 12 Months Ended February 28, 1942.

The condensed pro forma statement of consolidated income of the company, Illinois Natural Gas Company, Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation has been prepared from the books of the companies (1) on the basis that the financing of the cost of the acquisition of the outstanding stock and indebtedness of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, which resulted in annual interest costs of \$300,000, and which was consummated on February 6, 1942, had been effected March 1, 1941, that the interest expense shown as applicable to obligations of Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to Columbia Gas and Electric Corporation, their parent company until February 6, 1942, would have aggregated the same amount had the Panhandle Eastern Pipe Line Company been the parent company and that dividends had been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation to the extent of their net income for the 12 months ended February 28, 1942 and (2) after giving effect to estimated increases in Federal income taxes, which would have resulted had such interest and dividends been paid by Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, to Panhandle Eastern Pipe Line Company to the full extent of their net income.

Page 3
Witness Watkins

[fol. 15515]

Exhibit 199.

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Adjustments And Eliminations

Pro Forma Consolidated Income Account

For The Twelve Months Ended February 28, 1942

Giving Effect To Federal Income And Federal
Excess-Profits Tax Rates Proposed In
Recommendation Of Secretary Of Treasury Morgenthau
On March 3, 1942

Before House Ways And Means Committee

Adjustments

(1)

Increases in Federal Income Tax, Federal Excess-Profits Tax and Charges in Lieu of Federal Income and Excess-Profits Taxes of Panhandle Eastern Pipe Line Company, Illinois Natural Gas Company, Michigan Gas Transmission Corporation, and Indiana Gas Distribution Corporation resulting from the application of tax rates recommended by Secretary of Treasury Morgenthau on March 3, 1942

Federal Income Taxes	\$1 235 488 80
Federal Excess-Profits Taxes	384 020 37
Charges in Lieu of Federal Income and Excess-Profits Taxes	150 418 51

(2)

Increase in Federal Income Taxes of Panhandle Eastern Pipe Line Company resulting from changes in Net Income

Federal Income		
On Dividends \$532,509.38 x 15% x 55%	\$ 44 000	
On Net Interest \$185,394.59 x 13.75%	25 000	
Increase due to adjustment in Excess-Profits taxes	80 000	149 000 00

Federal Excess-Profits	
On Net Interest \$185,394.59 x 75%	139 000
Less: Credit due to adjustment in Excess-Profits Credit based on income,	

(3)

Increase in Interest on Long-Term Debt
resulting from issuance of \$10,000,000
principal amount of First Mortgage and
First Lien 3% Bonds, Series C

279 168 66

(4)

Decrease in Interest on Long-Term Debt
as the result of Michigan Gas Trans-
mission Corporation and Indiana Gas
Distribution Corporation becoming sub-
sidiaries of Panhandle Eastern Pipe
Line Company

464 561 25

[fol. 15316]

Eliminations

(5)

Operating Revenue — Gas

3 683 887 84

Operation and Maintenance

3 683 887 84

To eliminate gas sold to subsidiary
companies.

(6)

Interest Revenue

35 256 25

Interest on Debt to Associated

Companies

35 256 25

To eliminate interest due from subsidiary
companies.

Exhibit 200

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
(INCLUDING MICHIGAN GAS TRANSMISSION CORPORATION AND INDIANA GAS DISTRIBUTION CORPORATION)

COMPARA
 DECEMBER 31,
 1941, DECEMBER

	<u>December 31, 1939</u>	<u>December 31, 1940</u>	<u>June 30, 1941</u>	<u>December 31, 1941</u>
INTANGIBLE PLANT				
Organisation	\$ 126 744 25	\$ 126 744 25	\$ 125 625 13	\$ 125 625 13
Franchises and consents	355 56	355 56	355 56	355 56
Miscellaneous intangible plant	182 597 78	182 597 78	149 033 79	149 033 79
Totals Intangible Plant	309 697 59	309 697 59	275 014 48	275 014 48
PRODUCTION PLANT				
(a) Natural Gas Production Plant				
Natural gas producing leaseholds - drilled	949 880 70	996 613 19	1 010 996 84	1 017 993 19
Natural gas producing leaseholds - not drilled	865 472 36	759 239 20	734 210 55	747 784 12
Other land and land rights	299 00	299 00	299 00	299 00
Other production system structures	46 768 78	46 426 96	46 808 76	47 797 15
Producing gas wells - well construction	1 937 811 04	2 023 739 02	2 027 024 28	2 067 934 08
Producing gas wells - well equipment	565 682 80	592 983 63	593 266 66	604 915 00
Drilling and cleaning equipment	19 971 18	20 762 34	20 676 46	20 691 46
Purification and residual refining equipment	629 652 39	658 355 27	699 866 27	704 263 18
Other production equipment	-	399 08	399 08	826 16
Totals Natural Gas Production Plant	5 015 538 25	5 098 817 69	5 133 547 90	5 212 503 34
TRANSMISSION PLANT				
Land	144 018 02	143 113 74	144 758 45	142 659 72
Land rights	1 347 633 26	1 429 658 97	1 432 238 42	1 437 141 90
Pumping station structures	1 317 532 82	1 615 740 81	1 749 083 21	1 867 468 88
Measuring and regulating station structures	101 481 02	119 920 41	122 036 57	127 237 32
Other transmission structures	389 308 04	398 229 59	447 915 55	516 364 59
Mains	49 855 002 24	55 979 211 40	56 016 132 77	56 224 705 78
Pumping station equipment	8 869 399 23	9 783 622 91	10 246 876 58	10 808 322 98
Measuring and regulating station equipment	618 533 23	653 752 05	658 625 14	681 981 26
Other transmission equipment	42 562 38	52 014 94	49 071 45	48 022 42
Totals Transmission Plant	\$62 685 470 24	\$70 175 264 82	\$70 866 738 14	\$71 853 904 85

COMPANIES
DISTRIBUTION CORPORATION)

COMPARATIVE STATEMENT OF GAS PLANT
DECEMBER 31, 1939, DECEMBER 31, 1940, JUNE 30,
1941, DECEMBER 31, 1941 AND FEBRUARY 28, 1942

<u>June 30, 1941</u>	<u>December 31, 1941</u>	<u>February 28, 1942</u>
\$ 125 625 13 355 56 149 033 79	\$ 125 625 13 355 56 149 033 79	\$ 125 625 13 355 56 149 033 79
<hr/> 275 014 48	<hr/> 275 014 48	<hr/> 275 014 48
1 010 996 84 734 210 55 299 00 46 808 76 2 027 024 28 593 266 66 20 676 46 699 866 27 399 08	1 017 993 19 747 784 12 299 00 47 797 15 2 067 934 08 604 915 00 20 691 46 704 263 18 826 16	1 028 207 96 739 087 60 299 00 47 797 15 2 078 745 48 609 397 59 20 696 46 704 263 18 826 16
<hr/> 5 133 547 90	<hr/> 5 212 503 74	<hr/> 5 223 320 58
144 758 45 1 432 238 42 1 749 083 21 122 036 57 447 915 55 56 016 132 77 10 246 876 58 658 625 14 49 071 45	142 659 72 1 437 141 90 1 867 468 88 127 237 32 516 364 59 56 224 705 78 10 808 322 98 681 981 26 48 022 42	142 944 68 1 437 486 61 1 867 471 96 127 432 34 516 656 91 56 267 158 75 10 809 048 48 682 223 21 48 022 42
<hr/> \$70 866 738 14	<hr/> \$71 853 904 85	<hr/> \$71 898 445 36

Exhibit 200
PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES
(INCLUDING MICHIGAN GAS TRANSMISSION CORPORATION AND INDIANA GAS DISTRIBUTION CORPORATION)

COMPARATIVE
DECEMBER 31, 193
1941, DECEMBER 3

	<u>December 31, 1939</u>	<u>December 31, 1940</u>	<u>June 30, 1941</u>	<u>December 31, 1941</u>
DISTRIBUTION PLANT				
Land and land rights	\$ 1 140 80	\$ 1 101 06	\$ 565 62	\$ 641 17
Structures and improvements	3 040 29	3 040 29	1 041 18	1 041 18
Maine	368 996 86	382 376 24	67 205 23	68 446 61
Pumping and regulating equipment	9 474 79	9 861 33	1 789 91	1 789 91
Services	71 179 02	77 176 95	26 160 57	28 387 99
Meters	68 926 58	74 873 32	16 704 95	19 770 72
Meter installations	9 617 21	10 278 49	5 175 90	5 510 49
House regulators and installations	29 620 45	32 340 07	16 238 83	17 495 79
Other distribution equipment	691 17	670 67	194 31	194 31
Totals Distribution Plant	562 687 17	591 718 42	135 076 50	143 278 17
GENERAL PLANT				
General office structures				
Office furniture and equipment	86 415 21	96 311 31	95 049 79	104 814 65
Transportation equipment	124 986 61	146 870 18	146 230 49	166 532 35
Stores equipment	1 237 95	1 335 56	1 645 88	1 379 30
Shop equipment				
Laboratory equipment	6 619 88	6 619 88	6 550 71	6 550 71
Tools and work equipment	37 272 65	46 321 78	54 451 22	59 178 14
Communication equipment	369 088 82	369 365 07	371 355 85	371 000 80
Miscellaneous equipment	101 86	101 86		2 097 05
Totals General Plant	625 722 88	666 925 64	675 283 94	712 153 00
OTHER UNDISTRIBUTED GAS PLANT				
Undistributed gas plant	19 730 34	19 730 34	19 730 34	19 730 34
Gas plant purchased				
Totals Other Undistributed Gas Plant	19 730 34	19 730 34	19 730 34	19 730 34
Total Gas Plant Classified	69 218 846 47	76 862 154 50	77 105 391 30	73 216 584 18
Construction work in progress	467 974 13	693 888 95	496 609 65	2 910 734 48
Gas sales and purchase contracts	2 930 286 40	2 930 286 40	2 930 286 40	2 930 286 40
Reserve for amortization of gas sales and purchase contracts	1 172 114 40 *	1 465 143 00 *	1 611 657 30 *	1 758 171 60
Other gas sales and purchase contracts	386 197 00	372 006 38	365 334 99	352 897 28
Consolidation reduction in investment in subsidiary company				139 500 00
GAS PLANT	\$71 831 189 60	\$79 393 193 23	\$79 285 965 04	\$82 512 830 74

* Denotes red figure

ARY COMPANIES
AS DISTRIBUTION CORPORATION)

COMPARATIVE STATEMENT OF GAS PLANT
DECEMBER 31, 1939, DECEMBER 31, 1940, JUNE 30,
1941, DECEMBER 31, 1941 AND FEBRUARY 28, 1942

40	June 30, 1941	December 31, 1941	February 28, 1942
\$	565 62	\$ 641 17	\$ 641 17
	1 041 18	1 041 18	1 041 18
	67 205 23	68 446 61	68 446 61
	1 789 91	1 789 91	1 789 91
	26 160 57	28 387 99	28 387 99
	16 704 95	19 770 72	18 976 52
	5 175 90	5 510 49	5 510 49
	16 238 83	17 495 79	17 477 93
	194 31	194 31	194 31
	135 076 50	143 278 17	142 466 11
	95 049 79	104 814 65	104 713 40
	146 230 49	166 532 35	171 458 54
	1 645 88	1 379 30	1 979 30
	6 550 71	6 550 71	6 550 71
	54 451 22	59 178 14	59 384 13
	371 355 85	371 000 80	371 000 80
		2 097 05	2 097 05
	675 283 94	712 153 00	717 183 33
	19 730 34	19 730 34	19 730 34
			432 326 08
	19 730 34	19 730 34	459 056 42
	77 105 391 30	73 216 584 18	78 715 486 88
	496 509 65	2 910 734 48	4 944 820 83
	2 930 286 40	2 930 286 40	2 930 286 40
	1 611 657 30	1 758 171 60	1 807 009 70
	365 334 99	352 897 28	354 271 06
		139 500 00	139 500 00
	\$79 285 965 04	\$82 512 830 74	\$84 998 555 47

MICHIGAN GAS TRANSMISSION CORPORATION

Line No.	I t e m	1 9 3 1 (B)	1 9 3 2 (C)	1 9 3 3 (D)	1 9 3 4 (E)	1 9 3 5 (F)	1 9 3 6 (G)	1 9 3 7 (H)	1 9 3 8 (I)
1	INTANGIBLE PLANT								
2	Organisation	\$ 299 76	\$ 299 76	\$ 299 76	\$ 299 76	\$ 299 76	10 332 75	\$ 10 332 75	10 33
3	Miscellaneous Intangible Plant	-	-	-	-	-	41 100 94	73 667 17	73 66
4	Totals - Intangible Plant	299 76	299 76	299 76	299 76	299 76	51 433 69	83 999 92	83 99
5	TRANSMISSION PLANT								
6	Land	-	-	-	185 82	185 82	20 586 57	21 233 25	21 72
7	Land Rights	72 423 05	75 949 52	76 052 52	76 052 52	76 092 48	205 755 13	223 596 44	223 61
8	Pumping Station Structures	-	-	-	-	-	67 615 48	228 695 63	228 76
9	Measuring & Regulating Station Structures	-	-	-	265 24	771 37	18 129 44	31 906 45	32 56
10	Other Transmission System Structures	-	-	-	-	-	3 676 95	32 954 64	33 139
11	Mains	2 267 630 45	2 276 016 34	2 276 679 13	2 277 249 09	2 277 701 32	7 071 580 18	7 507 864 36	7 533 346
12	Pumping Sta. Equipment	-	-	-	-	-	270 615 29	977 081 29	978 159
13	Measuring and Regulating Equipment	-	-	-	815 41	3 234 22	28 146 36	85 055 69	88 377
14	Other Transmission Equipment	-	-	-	-	-	12 097 17	-	-
15	Totals - Transmission Plant	2 340 053 50	2 351 965 86	2 352 731 65	2 354 568 08	2 357 985 21	7 698 202 57	9 108 387 75	9 139 698
16	GENERAL PLANT								
17	Office Furniture and Equipment	-	15 00	15 00	15 00	15 00	6 604 53	11 788 35	12 388
18	Transportation Equipment	-	1 787 22	-	-	-	10 583 27	15 990 05	15 414
19	Stores Equipment	-	-	-	-	-	-	-	-
20	Tools & Work Equipment	-	99 60	136 84	181 67	240 47	3 605 39	6 075 17	7 945
21	Totals - General Plant	-	1 901 82	151 84	196 67	255 47	20 793 19	33 853 57	36 348
22	Total Gas Plant Classified	2 340 353 26	2 354 167 44	2 353 283 25	2 355 064 51	2 358 540 44	7 770 429 45	9 226 241 24	9 260 046
23	Construction Work in Progress	-	-	-	2 386 10	39 339 96	-	-	-
24	GAS PLANT	\$2 340 353 26	\$2 354 167 44	\$2 353 283 25	\$2 357 450 61	\$2 397 880 40	\$7 770 429 45	\$9 226 241 24	\$9 260 046

WITNESS WATKINS

GAS PLANT

<u>b</u>	<u>e</u>	<u>r</u>	<u>3</u>	<u>1</u>		
<u>9 3 6</u>	<u>1 9 3 7</u>	<u>1 9 3 8</u>	<u>1 9 3 9</u>	<u>1 9 4 0</u>	<u>1 9 4 1</u>	
<u>(G)</u>	<u>(H)</u>	<u>(I)</u>	<u>(J)</u>	<u>(K)</u>	<u>(L)</u>	
10 332 75 \$	10 332 75 \$	10 332 75 \$	10 332 75 \$	10 332 75 \$	10 332 75	
41 200 94	73 667 17	73 667 17	73 667 17	73 667 17	73 667 17	
51 433 69	83 999 92	83 999 92	83 999 92	83 999 92	83 999 92	
20 586 57	21 233 25	21 724 00	27 449 07	26 099 30	24 472 10	
25 755 13	223 596 44	223 616 06	230 621 81	247 859 43	249 139 74	
27 615 48	228 695 63	228 765 44	230 611 94	434 329 42	502 280 01	
18 129 44	31 906 45	32 569 93	35 590 80	50 408 72	52 009 39	
3 676 95	32 954 04	33 139 64	33 392 72	38 729 46	62 981 24	
71 580 18	7 507 864 36	7 533 346 85	8 044 905 93	9 408 885 24	9 542 084 59	
70 615 29	977 081 29	978 159 13	979 044 28	1 810 164 17	2 068 014 53	
28 146 36	85 055 69	88 377 51	105 162 50	124 791 59	137 260 04	
12 097 17	-	-	-	121 09	1 643 11	
28 202 57	9 108 387 75	9 139 698 56	9 686 779 05	12 141 388 42	12 635 884 75	
6 604 53	11 788 35	12 988 25	14 062 70	15 504 14	17 932 52	
10 583 27	15 990 05	15 414 55	19 031 17	35 630 82	37 194 08	
3 605 39	6 075 17	7 945 29	1 237 95	1 335 56	1 979 30	
20 793 19	33 853 57	36 348 09	7 324 77	12 961 30	15 709 51	
10 429 45	9 226 241 24	9 260 046 57	41 656 59	65 431 82	72 815 41	
-	-	-	-	5 076 83	11 641 08	
10 429 45	9 226 241 24	9 260 046 57	9 812 435 56	12 295 896 99	12 804 341 16	

139,500 Item is included
See testimony of Watkins
morning 4/1/42. Disallowed
by SEC as intercompany
profit. Ex 201 reflects to
book without adjustment

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	(A)	Panhandle Eastern Pipe Line Company			Illinois Natural Gas Company		Michigan Gas Transmis Corporation	
		(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	Estimated Excess Profits Net Income		\$7,350,000			\$128,000		\$811,000
2	Less:							
3	Specific exemption	\$ 5,000			\$ 5,000			\$ 5,000
4	Excess profits credit based on income	4,618,000			-			603,000
5	Excess profits credit based on invested capital	-			182,000			-
6	Excess profits credit carry-over	-	4,623,000		36,000	223,000		-
7	Adjusted Excess Profits Net Income							608,000
8	Subject to Tax		2,727,000			None		203,000
10	Excess Profits Tax:		Net Income	Tax	Net Income	Tax	Net Income	Tax
11	First \$20,000 at 35%		20,000	7,000			20,000	7,000
12	Next 30,000 at 40%		30,000	12,000			30,000	12,000
13	Next 50,000 at 45%		50,000	22,500			50,000	22,500
14	Next 150,000 at 50%		150,000	75,000			103,000	51,500
15	Next 250,000 at 55%		250,000	137,500				
16	All Over 500,000 at 60%		2,227,000	1,336,200				
17			2,727,000		None		203,000	
18	Estimated Excess Profits Tax			\$1,590,200		None		
19	Normal Tax and Surtax							
20	Excess Profits Net Income		7,350,000			128,000		\$811,000
21	Less: Excess Profits Tax		1,590,200			-		93,000
22	Estimated Normal Tax and Surtax							
23	Net Income		5,759,800			128,000		718,000
24	Normal Tax:							
25	Corporations with net income slightly over \$25,000							
26	First \$5,000 at 15%							
27	Next 15,000 at 17%							
28	Next 5,000 at 19%							
29	Next 8,445 at 37%							
30								
31	Corporations with net income over \$25,000							
32	Flat Rate 24%		1,382,352			30,720		172,320
33								
34	Surtax:							
35	First \$25,000 at 6%		1,500			1,500		1,500
36	All Over 25,000 at 7%		401,436			7,210		48,510
37	Estimated Normal Tax and Surtax			1,785,288		\$39,430		
38	Estimated Federal Income and Excess Profits Taxes			\$3,375,488		\$39,430		

STATEMENT OF ESTIMATED FEDERAL INCOME AND
EXCESS-PROFITS TAXES FOR THE YEAR 1941
(BASED ON REVENUE ACT OF 1941)

SUBSIDIARY COMPANIES

Natural Gas Company		Michigan Gas Transmission Corporation			Indiana Gas Distribution Corporation			Total Taxes
(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
28 000			\$811 000			\$36 000		
		\$ 5 000			\$ 5 000			
		603 000			23 700			
23 000		-	608 000		-	23 700		
None			203 000			7 300		
<u>Tax</u>		<u>Net Income</u>	<u>Tax</u>		<u>Net Income</u>	<u>Tax</u>		
		20 000	7 000		7 300	2 555		
		30 000	12 000					
		50 000	22 500					
		103 000	51 500					
		<u>203 000</u>			<u>7 300</u>			
None			\$ 93 000			\$ 2 555		\$1,545 755
28 000			811 000			36 000		
-			93 000			2 555		
28 000			718 000			33 445		
						750		
						2 550		
						950		
						3 125		
						7 375		
30 720			172 320					
1 500			1 500			1 500		
7 210			48 510			591		
\$39 430			222 330			9 466		2 056 514
\$39 430			\$315 330			\$12 021		\$3 742 269

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES.

ST/
E
(BAS)
SECRET
I

Line No.	(A)	Panhandle Eastern Pipe Line Company			Illinois Natural Gas Company			Michigan Gas Transmission Corporation		
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	Estimated Excess Profits Net Income		\$7 350 000			\$128 000			\$811 000	
2	Less:									
3	Specific Exemption	\$ 5 000			\$ 5 000			\$ 5 000		
4	Excess profits credit based on income	4 618 000			-			603 000		
5	Excess profits credit based on in-									
6	vested capital	-			182 000			-		
7	Excess profits credit carry-over	-	4 623 000		36 000	223 000		-	608 000	
8	Adjusted Excess Profits Net Income Sub-									
9	ject to Tax		2 727 000			None			203 000	
10	Excess Profits Tax:									
11	First \$ 20 000 at 50%	Net Income	Tax		Net Income	Tax		Net Income	Tax	
12	Next 30 000 at 55%	20 000	10 000		20 000	10 000		20 000	10 000	
13	Next 50 000 at 60%	30 000	16 500		30 000	16 500		30 000	16 500	
14	Next 150 000 at 65%	50 000	30 000		50 000	30 000		50 000	30 000	
15	Next 250 000 at 70%	150 000	97 500		150 000	97 500		103 000	66 950	
16	All Over 500 000 at 75%	250 000	175 000		250 000	175 000				
17		2 227 000	1 670 250							
18	Estimated Excess Profits Tax	2 727 000			None			203 000		
19	Normal Tax and Surtax									
20	Excess Profits Net Income		7 350 000			128 000			811 000	
21	Less: Excess Profits Tax		1 999 250			-			123 450	
22	Estimated Normal Tax and Surtax Net Income		5 350 750			128 000			687 550	
23	Normal Tax:									
24	Corporations with net income slightly									
25	over \$25,000									
26	First \$ 5 000 at 15%									
27	Next 15 000 at 17%									
28	Next 5 000 at 19%									
29	Next 7 350 at 37%									
30	Corporations with net income over \$25,000									
31	Flat Rate - 24%		1 284 180			30 720			165 012	
32	Surtax:									
33	Corporations with net income slightly									
34	over \$25,000									
35	First \$25 000 at 16%									
36	Next 7 350 at 31%									
37	Corporations with net income over \$25,000									
38	Rate - 31%		1 658 733			39 680			213 141	
39	Estimated Normal Tax and Surtax				2 942 913		\$70 400			378 15
40	Estimated Federal Income and Excess									
41	Profits Taxes				\$4 942 163		\$70 400			\$501 60

BY COMPANIES

STATEMENT OF ESTIMATED FEDERAL INCOME AND
EXCESS PROFITS TAXES FOR THE YEAR 1941
(BASED ON RATES PROPOSED IN RECOMMENDATION BY
SECRETARY OF TREASURY MORGENTHAU ON MARCH 3, 1942
BEFORE THE WAYS AND MEANS COMMITTEE)

Natural Gas Company	Michigan Gas Transmission Corporation				Indiana Gas Distribution Corporation			Total Taxes
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	
		\$811 000			\$36 000			
	\$ 5 000			\$ 5 000				
	603 000			23 700				
	-			-				
	-	608 000		-	28 700			
		203 000			7 300			
	<u>Net Income</u>	<u>Tax</u>		<u>Net Income</u>	<u>Tax</u>			
	20 000	10 000		7 300	3 650			
	30 000	16 500						
	50 000	30 000						
	103 000	66 950						
	203 000			7 300				
None			\$123 450			\$ 3 650	\$2 126 350	
		\$811 000			36 000			
		123 450			3 650			
		687 550			32 350			
					750			
					2 550			
					950			
					2 720			
					6 970			
		165 012						
					4 000			
					2 279			
		213 141						
\$70 400			376 153			13 249	3 404 715	
\$70 400			\$501 603			\$16 899	\$5 531 065	

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

STATE
EXCE
REC

Line No.	(A)	Panhandle Eastern Pipe Line Company			Illinois Natural Gas Company			Michigan Gas Transmission Corporation			In
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1	Estimated Excess Profits Net Income As Recomputed		\$8 094 869			\$128 000			\$811 000		
2	Less: Dividends received		533 179			-			-		
3			7 561 690			128 000			811 000		
4	Less: Specific Exemption	\$ 5 000			\$ 5 000			\$ 5 000			\$
5	Excess profits credit based on income	4 618 000			-			603 000			
6	Excess profits credit based on in-										
7	vested capital	-			182 000			-			
8	Excess profits credit carry-over	-			36 000			-			
9	Additional excess profits credit based										
10	on income resulting from net new										
11	capital financing	190 000	4 813 000		-	223 000		-	608 000		
12	Adjusted Excess Profits Net Income Sub-										
13	ject To Tax		2 748 690			None			203 000		
14	Excess Profits Tax:										
15	First \$20 000 at 35%	Net Income	Tax		Net Income	Tax		Net Income	Tax	Net	
16	Next 30 000 at 40%	20 000	7 000		20 000	7 000		20 000	7 000		
17	Next 50 000 at 45%	30 000	12 000		30 000	12 000		30 000	12 000		
18	Next 150 000 at 50%	50 000	22 500		50 000	22 500		50 000	22 500		
19	Next 250 000 at 55%	150 000	75 000		150 000	75 000		103 000	51 500		
20	All Over 500 000 at 60%	250 000	137 500		250 000	137 500					
21		2 248 690	1 349 214		2 248 690	1 349 214					
22	Estimated Excess Profits Tax	2 748 690		\$1 603 214	None		None	203 000		\$ 93 000	
23	Normal Tax and Surtax										
24	Excess Profits Net Income As Recomputed		8 094 869			128 000			811 000		
25	Less: Excess Profits Tax	1 603 214			-			93 000			
26	85% of dividends received	453 202	2 056 416		-			-	93 000		
27	Estimated Normal Tax and Surtax Net Income		6 038 453			128 000			718 000		
28	Normal Tax:										
29	Corporations with net income slightly										
30	over \$25,000										
31	First \$5 000 at 15%										
32	Next 15 000 at 17%										
33	Next 5 000 at 19%										
34	Next 8 445 at 37%										
35	Corporations with net income over \$25,000										
36	Flat Rate - 24%		1 449 229			30 720			172 320		
37	Surtax:										
38	First \$25 000 at 6%		1 500			1 500			1 500		
39	All Over 25 000 at 7%		420 942			7 210			48 510		
40	Estimated Normal Tax and Surtax			1 871 671			\$39 430			222 330	
41	Estimated Federal Income and Excess										
42	Profits Taxes			\$3 474 885			\$39 430			\$315 330	

WITNESS WATKINS

IDIARY COMPANIES

STATEMENT OF ESTIMATED FEDERAL INCOME AND
EXCESS PROFITS TAXES FOR THE YEAR 1941
RECOMPUTED AS EXPLAINED IN PAGE 5 OF
THIS EXHIBIT
(BASED ON REVENUE ACT OF 1941)

Is Natural Company		Michigan Gas Transmission Corporation		Indiana Gas Distribution Corporation		Total Taxes		
(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
28 000			\$811 000			\$36 000		
<u>28 000</u>			<u>811 000</u>			<u>36 000</u>		
		\$ 5 000			\$ 5 000			
		603 000			23 700			
		-			-			
		-			-			
23 000		-	608 000		-	28 700		
<u>None</u>			<u>203 000</u>			<u>7 300</u>		
<u>Tax</u>		<u>Net Income</u>	<u>Tax</u>		<u>Net Income</u>	<u>Tax</u>		
		20 000	7 000		7 300	2 555		
		30 000	12 000					
		50 000	22 500					
		103 000	51 500					
		<u>203 000</u>			<u>7 300</u>			
	None			\$ 93 000			\$ 2 555	\$1 698 769
28 000			811 000			36 000		
		93 000			2 555			
<u>28 000</u>		<u>-</u>	<u>93 000</u>		<u>-</u>	<u>2 555</u>		
			<u>718 000</u>			<u>33 445</u>		
						750		
						2 550		
						950		
						<u>3 125</u>		
						<u>7 375</u>		
30 720			172 320					
1 500			1 500			1 500		
<u>7 210</u>			<u>48 510</u>			<u>591</u>		
	\$39 430			222 330			9 466	2 142 897
	<u>\$39 430</u>			<u>\$315 330</u>			<u>\$12 021</u>	<u>\$3 841 666</u>

PANHANDLE EASTERN PIPE LINE COMPANY AND SUBSIDIARY COMPANIES

Line No.	(A)	Panhandle Eastern Pipe Line Company			Illinois Natural Gas Company			Michigan Gas. Trans Corporation	
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Estimated Excess Profits Net Income as Recomputed		\$8 094 869			\$128 000			\$811 000
2	Less: Dividends received		533 179			-			-
3			7 561 690			128 000			811 000
4	Less:								
5	Specific exemption	\$ 5 000			\$ 5 000			\$ 5 000	
6	Excess profits credit based on income	4 618 000			-			603 000	
7	Excess profits credit based on invested capital	-			182 000			-	
8	Excess profits credit carry-over	-			36 000			-	
9	Additional excess profits credit based on income resulting from net new capital financing	190 000	4 813 000		-	223 000		-	608 000
10			2 748 690			None			203 000
11	Adjusted Excess Profits Net Income Subject to Tax								
12	Excess Profits Tax:	Net Income	Tax		Net Income	Tax		Net Income	Tax
13	First \$ 20,000 at 50%	20 000	10 000					20 000	10 000
14	Next 30,000 at 55%	30 000	16 500					30 000	16 500
15	Next 50,000 at 60%	50 000	30 000					50 000	30 000
16	Next 150,000 at 65%	150 000	97 500					103 000	66 950
17	Next 250,000 at 70%	250 000	175 000						
18	All Over 500,000 at 75%	2 248 690	1 686 518						
19		2 748 690			None			203 000	
20	Estimated Excess Profits Tax			\$2 015 518			None		
21	Normal Tax and Surtax								
22	Excess Profits Net Income as Recomputed		8 094 869			128 000			811 000
23	Less: Excess Profits Tax	2 015 518			None			123 450	
24	85% of dividends received	453 202	2 468 720		-	-		-	123 450
25	Estimated Normal Tax & Surtax Net Income		5 626 149			128 000			687 550
26	Normal Tax								
27	Corporations with net income slightly over \$25,000								
28	First \$ 5,000 at 15%								
29	Next 15,000 at 17%								
30	Next 5,000 at 19%								
31	Next 7,000 at 37%								
32	Corporations with net income over \$25,000								
33	Flat Rate - 24%		1 350 276			30 720			165 012
34	Surtax								
35	Corporations with net income slightly over \$25,000								
36	First \$25,000 at 16%								
37	Next 7,350 at 31%								
38	Corporations with net income over \$25,000								
39	Rate 31%		1 744 106			39 680			213 141
40	Estimated Normal Tax and Surtax			3 094 382		\$70 400			
41	Estimated Federal Income and Excess Profits Taxes			\$5 109 900		\$70 400			\$501 603

WITNESS WATKINS

STATEMENT OF ESTIMATED FEDERAL INCOME AND EXCESS
PROFITS TAXES FOR THE YEAR 1941, RECOMPUTED AS
EXPLAINED IN PAGE 5 OF THIS EXHIBIT (BASED ON
RATES PROPOSED IN RECOMMENDATION BY SECRETARY OF
TREASURY MORGENTHAU ON MARCH 3, 1942 BEFORE
THE WAYS AND MEANS COMMITTEE)

UTILITY COMPANIES

Natural Gas Company	(G)	Michigan Gas Transmission Corporation (H)	(I)	(J)	Indiana Gas Distribution Corporation (K)	(L)	(M)	Total Taxes (N)
\$ 000			\$811 000			\$36 000		
\$ 000			811 000			36 000		
		\$ 5 000			\$ 5 000			
		603 000			23 700			
\$ 000			603 000			23 700		
one			203 000			7 300		
Tax		Net Income	Tax		Net Income	Tax		
		20 000	10 000		7 300			
		30 000	16 500					
		50 000	30 000					
		103 000	66 950					
		203 000			7 300			
None				\$123 450			\$ 3 650	\$2 142 613
\$ 000			811 000			36 000		
		123 450			3 650			
			123 450			3 650		
\$ 000			687 550			32 350		
						750		
						2 550		
						950		
						2 720		
						6 970		
0 720								
						4 000		
						2 279		
9 680			213 141				13 249	3 556 184
\$70 400				378 153				
\$70 400				\$501 603			\$16 899	\$5 698 802

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Reconciliation Of Estimated Net Taxable Income For The Year 1941, Of
 Panhandle Eastern Pipe Line Company, As Shown By Pages 1 And 2 Of
 This Exhibit With The Recomputed Net Taxable Income For The
 Year 1941 As Shown By Pages 3 And 4 Of This Exhibit

Line No.	(A)	(B)	(C)	(D)
1	The excess profits net income of			
2	Panhandle Eastern Pipe Line Company			
3	is recomputed to give effect to the			
4	inclusion of Michigan Gas Transmis-			
5	sion Corporation and Indiana Gas			
6	Distribution Corporation had they			
7	have been subsidiaries of Panhandle			
8	Eastern Pipe Line Company during the			
9	entire year 1941 and that the neces-			
10	sary financing of the cost of acqui-			
11	sition of these companies had been			
12	consummated on January 1, 1941. De-			
13	tails follow:			
14	Estimated excess profits net income			
15	for year 1941 before recomputation.			
16				\$7 350 000
16	<u>Adjustments:</u>			
17	<u>Additions:</u>			
18	Dividends from Michigan Gas			
19	Transmission Corporation and			
20	Indiana Gas Distribution Cor-			
21	poration			
22				\$533 179
23	Interest income from Michigan Gas			
24	Transmission Corporation and In-			
25	diana Gas Distribution Corporation			
26				511 690
25	Total additions			
26				\$1 044 869
26	<u>Deductions:</u>			
27	Additional interest expense re-			
28	sulting from issuance of			
29	\$10,000,000 principal amount			
30	of 3% bonds			
31				300 000
31	Net additions			
32				744 869
32	Estimated excess profits net income for			
33	year 1941 as recomputed			
33				\$8 094 869

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Statement Of Operation And Maintenance Expenses
Year 1941(Restated To Include Michigan Gas Transmission Corporation and
Indiana Gas Distribution Corporation For Entire Year)

Line No.	(A)	(B)
1	Natural Gas Production Expenses	
2	Operation:	
3	733 Supervision and Engineering	\$ 24 354 19
4	734 1 Gas well labor	6 062 97
5	734 2 Field line labor	12 559 39
6	734 31 Field compressor station labor	46 00
7	734 32 Field measuring and regulating station labor	11 525 85
8	734 4 Other production labor	11 139 71
9	735 1 Gas well supplies and expenses	5 450 42
10	735 2 Field line supplies and expenses	5 191 97
11	735 31 Field compressor station supplies and expenses	40 21
12	735 32 Field measuring and regulating station supplies and expenses	4 042 30
13	735 4 Other supplies and expenses	7 654 62
14	510 Delay rentals	116 780 63
15	745 Gas well royalties	171 643 82
16	746 Natural gas rents	400 60
17		
18	Total Operation	376 292 17
19	Maintenance:	
20	739 Supervision and Engineering	7 537 37
21	740 22 Field measuring and regulating station structures	210 35
22	740 3 Other production system structures	2 297 42
23	741 Producing gas well equipment	6 800 41
24	742 1 Field lines	8 027 48
25	742 21 Compressor station equipment	8 50
26	742 22 Field measuring and regulating station equipment	1 865 17
27	743 Drilling and cleaning equipment	311 72
28	744 Other natural gas property	64 67
29	Total Maintenance	27 123 69
30	Other Production Expenses:	
31	747 2 Residual operation expenses	212 878 28
32	754 1 Gas purchased — natural gas	1 180 917 63
33	755 Purchased gas expense	25 820 05
34	Total Other Production Expenses	1 419 615 96

35	Total Natural Gas Production Expenses	
36	Before Duplicate Charges — Credit	\$ 823 031 22
37	Less Duplicate Charges — Credit	748 011 50
38	Total Natural Gas Production Expenses	<u>\$1 075 019 72</u>

[fo]. 15526]

Exhibit 203

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Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Statement Of Operation And Maintenance Expenses
Year 1941

(Restated To Include Michigan Gas Transmission Corporation And
Indiana Gas Distribution Corporation For Entire Year)

Line No.	(A)	(B)
1	Transmission Expenses	
2	Operation	
3	758 Supervision and Engineering	\$ 134 205 46
4	759 111 Pumping station — labor	396 061 13
5	759 112 Measuring and regulating station — labor	60 230 64
6	759 121 Pumping station — supplies and expenses	697 746 96
7	759 122 Measuring and regulating station — supplies and expenses	24 200 00
9	759 21 Transmission mains — labor	124 264 38
10	759 22 Transmission mains — supplies and expenses	62 268 81
11	763 2 Rents	10 874 26
12	Total Operation	<u>1 509 851 64</u>
13	Maintenance	
14	760 Supervision and Engineering	48 127 64
15	761 1 Pumping station structures	23 897 91
16	761 2 Measuring and regulating station structures	2 874 73
17	761 3 Other transmission system structures	4 387 50
18	762 1 Mains	94 212 01
19	762 21 Pumping station equipment	142 181 18
20	762 22 Measuring and regulating station equipment	17 921 19
21	762 23 Other transmission system equipment	5 455 11
22	Total Maintenance	<u>339 057 27</u>
23	Total Transmission Expenses Before Joint	
24	Expenses — Credit	1 848 908 91
25	Less Joint Expenses — Credit	13 300 00
26	Total Transmission Expenses	<u>1 835 708 91</u>

27	Distribution Expenses	
28	Operation	7 088 06
29	Maintenance	1 980 35
30	Total Distribution Expenses	\$ 9 069 01

[fol. 15527]

Exhibit 203

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Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Statement Of Operation And Maintenance Expenses

Year 1941

(Restated To Include Michigan Gas Transmission Corporation And
Indiana Gas Distribution Corporation For Entire Year)

Line No.	(A)	(B)
1	Customers' Accounting and Collecting Expenses	
2	779 Supervision	\$ 860 12
3	780 1 Customers' contracts and orders	79 66
4	780 3 Meter reading	7 521 46
5	780 4 Collecting	1 588 92
6	781 Customers' billing and accounting	7 633 30
7	782 Miscellaneous expenses	94 85
8	783 Uncollectible accounts	19 800 00
9	784 Rents	181 23
10	Total Customers' Accounting and Collecting Expenses	28 760 08
11	Sales Promotion Expenses	
12	785 Supervision	13 007 48
13	786 Salaries and commissions	19 396 88
14	787 2 Advertising	70 65
15	787 3 Miscellaneous sales expenses	249 39
16	Total Sales Promotion Expenses	32 724 40

[fol. 15528]

Exhibit 203

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Witness Watkins

Panhandle Eastern Pipe Line Company And Subsidiary Companies

Statement Of Operation And Maintenance Expenses

Year 1941

(Restated To Include Michigan Gas Transmission Corporation And
Indiana Gas Distribution Corporation For Entire Year)

Line No.	(A)	(B)
1	Administrative and General Expenses	
2	790 Salaries of general officers and executives	\$ 104 541 17
3	791 Other general office salaries	179 162 61

4	792	Expenses of general officers and general office employees	31 499 87
6	793	General office supplies and expenses	40 951 94
7	794	Management and supervision fees and expenses	13 203 30
8	795	Special services	48 323 46
9	796	Special legal services	56 390 21
10	797	Regulatory commission expenses	6 011 82
11	798	Insurance	15 086 87
12	799	Injuries and damages	44 201 49
13	800	Employees' welfare and pension expenses	191 764 68
14	801	Miscellaneous general expenses	78 130 20
15	802 2	Maintenance of office furniture and equipment	1 328 56
16	803	Rents	37 251 51
17		Total Administrative and General Expenses	
18		Before Credits	847 847 69
19		Less: Duplicate Miscellaneous Charges and Administrative and General Expenses	
20		Transferred - Credit	10 967 61
22		Total Administrative and General Expenses	836 880 08
23		Non-Operating Revenue Deductions	11 449 33
24		Total Operation and Maintenance Expenses	\$3 829 611 53

[fol. 15529]

Exhibit 204

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

1942 Construction and Retirement Budgets

Summary By Companies

	Cash Involved	Materials and Supplies (1)	Additions to Gas Plant	Net Charge To Retirement Work In Progress
<u>1942 New Work:</u>				
<u>Construction Items</u>				
Panhandle Eastern Pipe Line Co.	\$ 424 100	\$48 700	\$ 472 800	
Illinois Natural Gas Company	38 500	2 200	40 700	
Total — Construction Items	462 600	50 900	513 500	
<u>Retirement Items</u>				
Panhandle Eastern Pipe Line Co.	800	88 100	251 400	\$162 100
Illinois Natural Gas Company	1 300	9 800	1 700	3 200
Total — Retirement Items	500	97 900	253 100	165 300
<u>All 1942 Items</u>				
Panhandle Eastern Pipe Line Co.	423 300	49 700	221 500	162 100
Illinois Natural Gas Company	39 800	2 200	36 000	3 200
Total — All 1942 Items	463 100	51 900	257 500	165 300
<u>1941 Carry-Overs</u>				
Panhandle Eastern Pipe Line Co.	7 668 300	2 130	7 658 025	7 825
Illinois Natural Gas Company	412 100	—	412 100	—
	\$8 080 400	\$ 2 130	\$8 070 125	\$ 7 825

(1) Black — Material and Supplies — Excess Available
Red — Salvaged Materials

PANHANDLE EASTERN PIPE LINE COMPANY AND ITS SUBSIDIARY COMPANY

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
PANHANDLE EASTERN PIPE LINE COMPANY									
1942 New Work	\$ 14 600	\$ 10 300	\$ 15 500	\$ 30 200	\$ 56 800	\$ 82 500	\$ 64 200	\$67 800	\$35 100
1941 Carry-Overs	1 911 700	956 100	1 704 700	969 400	896 400	951 000	279 000	-	-
ILLINOIS NATURAL GAS COMPANY									
1942 New Work	2 800	2 900	2 600	13 400	3 600	3 500	4 500	5 300	3 100
1941 Carry-Overs	43 300	95 000	165 000	56 500	52 300	-	-	-	-
TOTAL - PANHANDLE EASTERN PIPE LINE COMPANY AND ITS SUBSIDIARY COMPANY									
1942 New Work and 1941 Carry-Overs	\$1 972 400	\$1 054 300	\$1 870 200	\$1 059 500	\$1 009 100	\$1 037 000	\$347 700	\$73 100	\$38 200

CASH EXPENDITURES BY MONTHS
1942 CONSTRUCTION AND RETIREMENT BUDGETS

ITS SUBSIDIARY COMPANY

<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	Total Cash Involved
\$2 500	\$64 200	\$67 800	\$35 100	\$23 700	\$9 600	\$10 000	\$ 423 300
1 000	279 000	-	-	-	-	-	7 668 300
<hr/>							
3 500	4 500	5 300	3 100	2 700	2 800	2 600	39 800
<hr/>							
7 000	\$347 700	\$73 100	\$38 200	\$26 400	\$12 400	\$12 600	\$8 543 500
<hr/>							

[fol. 15531]

Panhandle Eastern Pipe Line Company And Subsidiary Companies1942 Construction And Retirement Budget

<u>Inter-Company Transactions</u>		
<u>Budget Item No.</u>	<u>Title</u>	<u>Cash Involved</u>
Q (PE)	Transfer of Equipment Inter-Company Panhandle Group	0
XO (PE)	Transfer of Equipment Inter-Company Panhandle Group — Retirement	0

The above budget items are prepared to provide for the transfer of nonfixed items of property between companies within the Panhandle Group, such transfer to be made to facilitate operations within this Group, the transfer to be recorded at book cost of the seller.

[fol. 15532]

Panhandle Eastern Pipe Line CompanyAnd Its Subsidiary CompanyConstruction And Retirement BudgetSummary — By Companies1942 New Work

	<u>1942 New Work</u>		<u>Total Esti- mated Cash Expenditures</u>
	<u>Construction Items</u>	<u>Retirement Items</u>	
Panhandle Eastern Pipe Line Company	\$424 100	\$ 800	\$423 300
Illinois Natural Gas Company	38 500	1 300	39 800
Total — Panhandle Eastern Pipe Line Company and Its Subsidiary Company	\$462 600	\$ 540	\$463 100

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

1942 Construction And Retirement Budget

Panhandle Eastern Pipe Line Company

Budget Item No.		Cash Involved	Materials and Supplies	Additions to Gas Plant	Net Charge To Retirement Work In Progress
			(1)		
	<u>Construction Items</u>				
	<u>Blanket Budgets</u>				
	Production	\$204 100	\$15 400	\$219 500	—
	Transmission	97 600	29 600	127 200	—
	General	38 300	—	38 300	—
	Total — Blanket	\$440 000	45 000	\$485 000	—
	<u>Specific Budgets</u>				
	<u>Regular</u>				
565	Prospective New Customers	25 000	—	25 000	—
567	Construct Warehouse, Paola, Kansas	6 700	2 900	9 600	—
568	Communication Line to Paola, Kansas	1 000	—	1 000	—
570	Transmission Line — Missouri	700	800	1 500	—
571	Dwellings — Sneed Camp	22 700	—	22 700	—
572	Dwellings — Hansford Station	19 000	—	19 000	—
573	Boarding House — Liberal Station	7 500	—	7 500	—
605	Purchase Warehouse — Tuka, Kansas	1 500	—	1 500	—
	Total — Specific	\$84 100	3 700	\$87 800	—
	Total Construction Items	\$524 100	\$48 700	\$572 800	—

(1) Black — Materials and Supplies — Excess Available
 Red — Salvaged Materials

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

1942 Construction And Retirement Budget

Panhandle Eastern Pipe Line Company

Budget
n No.

Cash Involved	Materials and Supplies	Additions to Gas Plant	Net Charge to Retirement Work In Progress
------------------	------------------------------	------------------------------	---

(1)

Retirement Items

Blanket Budgets

Production	\$ 11,200	\$ 43,425	\$ 113,100	\$ 68,475
Transmission	8,100	32,975	84,800	59,925
General	10,000	100	24,300	13,200
Total — Blanket	31,000	76,500	222,200	141,600

Specific Budgets

Regular

Retire Warehouse Padua, Kansas	300	2,500	4,400	2,000
Retire Missouri Illinois Check Measuring Station	2,000	3,000	25,500	18,500
Total — Specific	2,300	5,500	30,000	20,500

Total Retirement Items

800	88,000	252,200	162,100
-----	--------	---------	---------

All 1942 Items

Blanket Budgets

Production	202,900	28,925	106,400	68,475
Transmission	105,700	3,375	42,400	59,925
General	28,300	100	15,000	13,200
Total — Blanket	336,900	32,400	163,800	141,600

Specific Budgets

Total — Specific	86,400	5,200	57,700	20,500
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\$423,300	\$37,600	\$221,500	\$162,100
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(1) Black -- Materials and Supplies -- Excess Available
Red -- Salvaged Materials

Exhibit 201.

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

1942 Construction And Retirement Budget *

Illinois Natural Gas Company

Budget Item No.	Cash Involved	Materials and Supplies	Additions to Gas Plant	Net Charge to Retirement Work In Progress
		(1)		
<u>Construction Items</u>				
<u>Blanket Budget</u>				
Transmission	\$12 200	\$2 200	\$14 400	
General	1 300		1 300	
Total Blanket	13 500	2 200	15 700	
<u>Specific Budget</u>				
Transmission Facilities — Prospective New Customers	25 000		25 000	
Total Construction Budget	38 500	2 200	40 700	
<u>Retirement Budget</u>				
Transmission	1 300	—	—	\$3 100
General				100
Total Retirement Budget	1 300	—	—	3 200
<u>All 1942 Budgets</u>				
Transmission	14 800	(200)	11 000	3 200
Specific	25 000	/	25 000	
Total All 1942 Budgets	\$39 800	\$ 500	\$36 000	\$3 200

(1) Black — Materials and Supplies — Excess Available
Red — Salvaged Materials.

**Panhandle Eastern Pipe Line Company And Its Subsidiary Company
1941 Construction And Retirement Carry Overs**

Budget Item No.		Cash Involved	Materials and Supplies	Additions to Gas Plant	Net Charge to Retirement Work in Progress
	<u>Construction</u>				
	<u>Illinois Natural Gas Company</u>				
67	Galesburg Lateral	\$ 118 300		\$ 118 300	
68	Abingdon Lateral	37 000		37 000	
69	Knoxville Lateral	2 500		2 500	
70	Bloomington Lateral	254 300		254 300	
	Totals	412 100		412 100	
	<u>Panhandle Eastern Pipe Line Company</u>				
	<u>Regular</u>				
BP-32	Drill Wacker Well — Oklahoma	15 300		15 300	
521	Compressor Units for wells	200		200	
523	Cathodic Protection Units	1 300		1 300	
524	Independent Gravel Lateral	1 300		1 300	
533	Furnaces for Glenarm Cottages	1 100		1 100	
534	Tuscola Compressor Station	5 900		5 900	
556	Measuring and Regulating Stations	1 300		1 300	
557R	Horizontal Condensate Separators	3 000		3 000	
559	Chain link fencing	14 500		14 500	
560	Compressor Station Yard Lighting	5 400		5 400	
561	Adrain, Michigan Lateral	30 800		30 800	
562	Hercules Powder Lateral	31 000		31 000	
564	Greenfield, Indiana Lateral	8 600		8 600	
	Total Regular	119 700		119 700	
	<u>Expansion</u>				
543R	Haven Loop	103 700		103 700	
544R	Louisburg Loop	260 300		260 300	
545R	Houstonia Loop	423 900		423 900	
546R	Centralia Loop	591 200		591 200	
547R	Mississippi River Crossing	128 200		128 200	
548R	Pleasant Hill Loop	725 100		725 100	
549R	Illinois River Crossing	113 600		113 600	
550R	Glenarm Loop	914 700		914 700	
551R	Tuscola Loop	284 600		284 600	
552R	Michigan — North Line	2 452 700		2 452 700	
553R	Michigan — West Line	1 575 400		1 575 400	
	Total — Expansion	7 572 800		7 572 800	
	Totals	7 692 500		7 692 500	
	Total Construction	8 104 600		8 104 600	
	<u>Retirement</u>				
X-554	Sale of Transmission Lines — L. A.	21 000		21 000	\$6 600
X-555	Change Locations of Measuring and Regulating Stations	100	3 700	2 000	500
X-558	Fencing of Compressor Stations	100	750	1 375	725

[fol. 15537]

Exhibit 205

Panhandle Eastern Pipe Line Company
And Subsidiary CompaniesStatement Of Certain Estimated Construction
Expenditures For Year 1942On Projects Approved in Year 1941 Which Were
Unfinished at December 31, 1941.

Panhandle Eastern Pipe Line Company	\$6 941 000
Illinois Natural Gas Company	411 000
Michigan Gas Transmission Corporation	81 000
Total	\$7 433 000

On Projects Approved in Year 1941 Which Were
Unfinished at February 28, 1942.

Panhandle Eastern Pipe Line Company	\$4 993 000
Illinois Natural Gas Company	380 000
Michigan Gas Transmission Corporation	23 000
Total	\$5 396 000

[fol. 15783]

Exhibit 208

Federal Power Commission, Docket No. G-200, G-207

Exhibit No. 208 (For Identification)

Date Identified 4-1-42

Financial Statement

of

Panhandle Eastern Pipe Line Company
and Subsidiary Companies

For period ended December 31, 1941.

(Signed) T. F. PAXTON,
Assistant Secretary.

Date February 21, 1942

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

[fol. 15784] 1 Assets

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Balance Sheet as of December 31, 1941

Line No.	Acct. No.	Detail on Page		Increase	
				Over Previous Month	Since January First
1		Gas Plant			
2	100-1	Gas Plant in Service	11A	7 349 586 98	536 586 35
3	100-3	Construction Work in Progress	11A	2 899 093 40	1 161 576 71
4	100-4	Gas Plant Held for Future Use	11		2 210 281 28
5	100-6	Gas Plant in Process of Reclassification	11A	59 401 352 25	+44 752 72
6					+1 203 409 77
7					
8					
9					
10		Total Gas Plant	11A	69 650 032 63	1 653 410 34
11					2 743 642 87
12					
13		Investment And Fund Accounts			
14	110	Other Physical Property	11		
15	111-1	Investment in Securities of Associated Companies	11		
16	111-2	Advances To Associated Companies	11		
17	112	Other Investments	11B	204 498 52	+ 1 684 27
18					+31 099 58
19					
20					
21					
22		Total Investment And Fund Accounts		204 498 52	+ 1 684 27
23					+31 099 58
24					
25					
26		Current And Accrued Assets			
27	120	Cash	x x	3 984 032 18	+1 159 791 59
28	121	Special Deposits	11B	102 580 14	239 838 12
29	122	Working Funds	11B	11 572 08	+ 3 240 88
30	123	Temporary Cash Investments	11B	2 750 000 00	93 454 39
31	124	Notes Receivable	11		+636 85
32	125-1	Accounts Receivable-Customers	x x	1 556 044 31	2 383 08
33	125-2	Other Accounts Receivable	12A	77 231 19	2 750 000 00
34	126	Accounts Receivable from Associated Companies	11		+ 2 150 63
35	128	Interest and Dividends Receivable	x x	8 388 47	105 077 18
36	131-1	Materials and Supplies-Gas	12A	363 941 05	+ 4 029 75
37	131-2	Materials and Supplies-Gasoline	x x	9 848 40	161 455 04
38	131-3	Materials and Supplies-Gasoline on Hand	x x	1 049 64	26 378 43
39	132	Prepayments	12A	94 732 18	4 586 69
40					31 342 04
41					158 133 69
42					4 426 92
43					+ 35 34
44					29 813 50
45		Total Current And Accrued Assets		8 959 419 64	+1 052 768 81
46					3 468 283 29
47					
48		Deferred Debits			
49	140	Unamortized Debt Discount and Expense	12A		+1 800 164 03
50	143	Clearing Accounts	12A	6 760 57	+2 229 322 74
51	144	Retirement Work in Progress	12A		2 107 99
52	145	Other Work in Progress	12A	176 619 80	+ 302 003 55
53	146	Other Deferred Debits	12A	4 068 91	60 173 60
54					173 643 89
55					3 231 83
56					
57					
58					
59		Total Deferred Debits		187 449 28	+2 039 837 97
60					+2 045 686 45

39	102	Repayments	12A	94 732 18	*22 291 56	29 813 50
40						
41						
42						
43						
44						
45		Total Current And Accrued Assets		8 959 419 64	*1 052 768 81	3 468 283 29
46						
47						
48		Deferred Debits				
49	140	Unamortized Debt Discount and Expense	12A	—	*1 800 164 03	*2 229 322 74
50	143	Clearing Accounts	12A	6 760 57	2 107 99	6 760 57
51	144	Retirement Work in Progress	12A	—	+ 302 003 55	—
52	145	Other Work in Progress	12A	176 619 80	60 173 60	173 643 89
53	146	Other Deferred Debits	12A	4 068 91	.48 02	3 231 83
54						
55						
56						
57						
58						
59		Total Deferred Debits		187 449 28	*2 039 837 97	*2 045 686 45
60						
61						
62						
63		Total Assets		79 001 400 67	*1 440 880 71	4 135 140 13

(A)

(B)

(C)

*Balance after Reserve for Amortization of Gas Sales and Purchase Contracts \$1,758,171.60

*Indicates red figures.

2000

**Panhandle Eastern Pipe Line Company
And Subsidiary Companies**

Liabilities 2

Balance Sheet as of December 31, 1941

Increase

Acc't No.		Detail on Page	Over Previous Month	Since January First	
	Capital Stocks				1
200	Common	No Par			2
	810,000 Shs. Auth. 807,367 Shs. Outstdg.	x x 20 184 175 00			3
201	Preferred	\$100 Par			4
	Class A 100,000 Shs. Auth. & Outstdg.	x x 10 000 000 00			5
	Class B 10,000 " " "	x x 1 000 000 00			6
					7
					8
					9
	Total Capital Stocks	31 184 175 00			10
					11
	Long-Term Debt				12
210	Bonds	11B 18 250 000 00		*4 250 000 00	13
212-1	Advances on Notes	11			14
212-2	Advances on Open Accounts	11			15
213	Miscellaneous Long-Term Debt	11B 5 009 789 19	+ 1 746 91	4 979 640 19	16
					17
	Total Long-Term Debt	23 259 789 19	+ 1 746 91	729 640 19	18
					19
	Current And Accrued Liabilities				20
220	Notes Payable	11			21
222	Accounts Payable	11B 1 083 337 88	+ 65 160 64	719 814 45	22
223-2	Accounts Payable to Associated Companies	11			23
224-1	Dividends Declared—Preferred	x x 165 000 00	165 000 00		24
224-2	Dividends Declared—Common	x x			25
225	Matured Long-Term Debt	11B 96 822 14	+ 2 040 88	96 822 14	26
226	Matured Interest	12B 4 230 00	+ 1 200 00	1 810 00	27
227	Customers' Deposits	x x		+ 3 885 00	28
228	Taxes Accrued	12B 3 218 503 42	+454 983 35	884 624 47	29
229-1	Interest Accrued—Long Term Debt	12B 90 104 18	45 052 09	+209 895 82	30
229-2	Interest Accrued—Other	12			31
230	Other Current and Accrued Liabilities	12B 3 433 42	1 406 45	234 41	32
224-3	Dividends Declared—Participating (Class A Preferred and Common Stocks)	740 086 42	538 244 67	740 086 42	33
					34
	Total Current & Accrued Liabilities	5 401 517 46	356 639 62	2 229 611 07	35
					36
	Deferred Credits				37
241	Customers' Advances for Construction	x x		+ 9 339 48	38
242	Other Deferred Credits	12B 43 414 51	+ 222 12	+ 937 23	39
					40
					41
	Total Deferred Credits	43 414 51	+ 222 12	+10 276 71	42
					43
	Reserves				44
250-6	Depreciation, Depletion and Amortization In Process of Reclassification	12C 10 908 023 25	41 791 02	1 718 522 01	45
254	Uncollectible Accounts	12C 50 219 88	900 00	10 131 22	46
256	Injuries and Damages	12D 100 923 74	1 500 00	+ 6 484 63	47
258	Other Reserves	12D 624 800 94			48
					49
					50
					51
	Total Reserves	11 683 967 81	43 991 02	1 722 168 60	52
					53
905	Contributions in Aid of Construction	12D 42 062 57		490 66	54

									40
									41
Total Deferred Credits				43 414 51	+	222 12		*10 276 71	42
									43
Reserves									44
250-6	Depreciation, Depletion and Amortization								45
	In Process of Reclassification	12C	10 908 023 25			31 791 02		1 718 522 01	46
254	Uncollectible Accounts	12C	50 219 88			900 00		10 131 22	47
256	Injuries and Damages	12D	100 923 74			1 300 00		* 6 484 63	48
258	Other Reserves	12D	624 800 94						49
									50
									51
Total Reserves				11 683 967 81		43 991 02		1 722 168 60	52
									53
265	Contributions in Aid of Construction	12D	42 062 57					490 66	54
									55
Surplus									56
271	Earned Surplus—								57
	Prior to December 31, 1935							1 444 35	58
	Since December 31, 1935		7 386 473 53			*1 839 542 32		*537 938 03	59
									60
									61
Total Surplus		10	7 386 473 53*			*1 839 542 32		*536 493 68*	62
Total Liabilities									63
									64
									65
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*For restriction as to payment of dividends and segregation of surplus, see Page 2A.

*Indicates red figures.

[fol. 15786]

Description

Surplus:

Restricted as to payment of common stock and participating dividends as provided in (2) on Page 4 of the Certificate of Amendment of Certificate of Incorporation filed June 5, 1936

Unrestricted

Total Page 2, Line 62

(1) Section 10 of Article IV of the Mortgage and Deed of Trust dated November 1, 1940 provides for restrictions as to the payment of dividends, determined as follows:

Earned Surplus at January 1, 1940

Less:

The sum specified in Section 10 of Article IV

The Charge to earned surplus of the balance, as of February 3, 1941, of the unamortized debt, discount and expense applicable to the funded debt of the Company existing prior to January 1, 1940 and the unamortized premium paid in connection with the redemption of such funded debt.

Amount of dividend on common stock declared during year 1940 in respect to earnings for the year 1939, specifically exempted in sub-paragraph (d)

Restricted under Mortgage and Deed of Trust dated November 1, 1940

3 581 379 41(1)

3 805 094 12

7 386 473 53

6 825 003 08

1 500 000 00

1 797 994 55

1 211 050 50 4 509 045 05

2 315 958 03

(A)

(B)

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Detail Of
Balance Sheet Accounts

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Month of December 1941

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Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Earnings
Summary 3

Month of December 1941

	Detail on Page	Amount			
		This Year	Last Year	Increase or Decrease	
		Month Of December			
Gross Revenues					1
Gas	4A	1 542 237 25	1 388 216 48	154 020 77	2
Gasoline	5A	109 259 58	39 829 52	69 430 06	3
Non-Operating	7	2 450 24	931 99	1 518 25	4
Total Revenues		1 653 947 07	1 428 977 99	224 969 08	5
Operating Expenses					6
Operation	x x	324 519 92	334 935 56	*10 415 64	7
Maintenance	x x	32 772 18	27 760 31	5 011 87	8
Depreciation, Depletion and Amortization	x x	266 807 43	221 568 41	45 239 02	9
Taxes—Federal Income	x x	186 306 77	186 200 00	106 77	10
Taxes—Federal Excess Profits	x x	99 774 72	100 000 00	*225 28	11
Taxes—Other	x x	43 298 44	*21 228 83	64 527 27	12
Total Expenses		953 479 46	849 235 45	104 244 01	13
Net Operating Revenue		700 467 61	579 742 54	120 725 07	14
Other Income	9	2 130 92	1 194 86	936 06	15
Gross Corporate Income		702 598 53	580 937 40	121 661 13	16
Other Deductions	9	45 263 29	101 602 75	*56 339 46	17
Less: Interest Charged to Construction	9	6 531 14	2 735 12	3 796 02	18
Net Income		663 866 38	482 069 77	181 796 61	19
Months Ended					20
Gross Revenues					21
Gas	4B				22
Gasoline	5B				23
Non-Operating	7				24
Total Revenues					25
Operating Expenses					26
Operation	x x				27
Maintenance	x x				28
Depreciation, Depletion and Amortization	x x				29
Taxes—Federal Income	x x				30
Taxes—Federal Excess Profits	x x				31
Taxes—Other	x x				32
Total Expenses					33
Net Operating Revenue					34
Other Income	9				35
Gross Corporate Income					36
Other Deductions	9				37
Less: Interest Charged to Construction	9				38
Net Income					39
12 Months Ended December 31					40
Gross Revenues					41
Gas	4C	14 688 263 44	13 167 241 73	1 521 021 71	42
Gasoline	5C	735 077 94	355 722 01	379 355 93	43
Non-Operating	7	11 515 35	12 489 05	*973 70	44
Total Revenues		15 434 856 73	13 535 452 79	1 899 403 94	45
Operating Expenses					46
Operation	x x	3 068 933 30	2 738 130 87	330 802 43	47
Maintenance	x x	323 893 75	262 633 65	61 260 10	48
Depreciation, Depletion and Amortization	x x	2 435 000 00	2 210 000 00	225 000 00	49
Taxes—Federal Income	x x	1 831 106 77(1)	1 436 598 47	394 508 30	50
Taxes—Federal Excess Profits	x x	1 582 774 72(1)	561 000 00	1 021 774 72	51
Taxes—Other	x x	733 622 93	612 871 48	120 751 45	52
Total Expenses		9 975 331 47	7 821 234 47	2 154 097 00	53
Net Operating Revenue		5 459 525 26	5 714 218 32	*254 693 06	54

Other Deductions	9			
Less: Interest Charged to Construction	9			41
Net Income				42

12 Months Ended December 31 43

Gross Revenues				44
Gas	4C	14 688 233 44	13 167 241 73	1 521 021 71 45
Gasoline	5C	735 077 94	355 722 01	379 355 93 46
Non-Operating	7	11 515 35	12 489 05	*973 70 47
				48
Total Revenues		15 434 856 73	13 535 452 79	1 899 403 94 49
Operating Expenses				50
Operation	x x	3 068 933 30	2 738 130 87	330 802 43 51
Maintenance	x x	323 893 75	262 633 65	61 260 10 52
Depreciation, Depletion and Amortization	x x	2 435 000 00	2 210 000 00	225 000 00 53
Taxes—Federal Income	x x	1 831 106 77(1)	1 436 598 47	394 508 30 54
Taxes—Federal Excess Profits	x x	1 582 774 72(1)	561 000 00	1 021 774 72 55
Taxes—Other	x x	733 622 93	612 871 48	120 751 45 56
Total Expenses		9 975 331 47	7 821 234 47	2 154 097 00 57
Net Operating Revenue		5 459 525 26	5 714 218 32	*254 693 06 58
Other Income	9	18 541 89	13 427 53	5 114 36 59
Gross Corporate Income		5 478 067 15	5 727 645 85	*249 578 70 60
Other Deductions	9	685 348 92	1 216 149 67	*530 800 75 61
Less: Interest Charged to Construction	9	11 774 51	36 827 80	*25 053 29 62
Net Income		4 804 492 74(2)	4 548 323 98	256 168 76 63

(A) (B) (C)

(1) Includes charges in lieu of taxes, See Page 14A.

(2) For restrictions as to payment of dividends and segregation of surplus, See Page 2A.

*Indicates red figures.

1563

**Panhandle Eastern Pipe Line Company
And Subsidiary Companies**

Page 4 A
1 Month Ended December 31, 1941

Acc't No.	Detail on Page	Amount			Increase or Decrease	
		This Year	Last Year			
Operating Revenue—Gas						
600 Residential Sales	x x	1 203 40	23 048 78	+21 845 38		1
602-1 Commercial Sales	x x	31 60	10 714 09	+10 682 49		2
602-2 Industrial Sales	x x	93 922 49	65 137 85	28 784 64		3
605-1 Sales to Gas Utilities	x x	1 447 073 76	1 289 310 36	157 763 40		4
608-1 Other Sales—Field	x x	6 00	5 40	60		5
						6
						7
Total		1 542 237 25	1 388 216 48	154 020 77		8
						9
605-2 Sales to Associated Companies	x x					10
						11
Total Revenue—Gas		1 542 237 25	1 388 216 48	154 020 77		12
Operating Revenue Deductions						
Production—Operation	15	38 222 71	29 657 76	8 564 95		13
—Maintenance	15	2 373 47	3 599 22	+ 1 225 75		14
Gas Purchased—Associated Companies	15					15
Gas Purchased—Others	15	115 996 43	117 754 74	+ 1 758 31		16
Purchased Gas Expense—Operation	15	2 318 35	2 134 80	183 55		17
—Maintenance	15	129 29	343 31	+ 214 02		18
Transmission—Operation	17	148 035 48	102 142 07	45 893 41		19
—Maintenance	17	29 991 63	22 450 67	7 540 96		20
Distribution—Operation	17		1 699 02	+ 1 699 02		21
—Maintenance	18		276 49	+ 276 49		22
Customers' Accounting and Collecting	18	2 267 89	3 089 14	+ 821 25		23
Sales Promotion	18	2 379 96	2 286 75	93 21		24
Administrative and General—Operation	19	68 155 62	180 988 61	+112 832 99		25
—Maintenance	19	6 04	912 57	+906 53		26
Gas Used in Operations, Etc., includes	19					27
overhead charged to constr.	19	+78 669 64	+125 867 03	47 197 39		28
Total Operation And Maintenance		331 207 23	341 468 12	+10 260 89		29
Total Operation	19	298 706 80	313 885 86	+15 179 06		30
Total Maintenance	19	32 500 43	27 582 26	4 918 17		31
503-1 Depreciation	x x	216 354 80	173 174 97	43 179 83		32
503-2 Amortization and Depletion—Producing Leases	x x	9 533 31	7 879 99	1 653 32		33
512 Amortization Non-Producing Leases	x x	6 193 39	6 237 50	+44 11		34
504 Amortization—Other	x x	27 595 93	27 345 95	249 98		35
507 Taxes—Federal Income	x x	186 306 77	186 200 00	106 77		36
507 Taxes—Federal Excess Profits	x x	99 774 72	160 000 00	+225 28		37
507 Taxes—Other	x x	42 937 70	+21 600 67	64 538 37		38
Total Operating Revenue Deductions		919 903 85	820 795 86	99 197 99		39
Net Operating Revenue—Gas		622 333 40	567 510 62	54 822 78		40
Statistics						
						41
						42
MCF—Sales to Public	25	6 519 498	5 924 778	594 720		43
Sales—Associated Companies	25					44
Total Sales	25	6 519 498	5 924 778	594 720		45
Company Use—Compressor Stations	25	402 687	348 980	53 707		46
Other Company Use	25	90 636	97 221	+6 585		47
Exchange Gas Delivered	25					48
		20 210		20 210		49
Total Deliveries	25	7 033 031	6 370 979	662 052		50
						51
ICF—Produced	25	3 177 779	2 626 658	551 121		52
Purchased—Associated Companies	25					53
—Others	25	2 946 920	2 974 860	+27 940		54

Statistics		1964	1965	1966	1967
					43
					44
MCF—Sales to Public	25	8 519 498	5 924 778	594 720	45
" Sales—Associated Companies	25				46
" Total Sales	25	6 519 498	5 924 778	594 720	47
" Company Use—Compressor Stations	25	402 687	348 980	53 707	48
" Other Company Use	25	90 636	97 221	*6 585	49
" Exchange Gas Delivered	25				50
		20 210		20 210	51
Total Deliveries	25	7 033 031	6 370 979	662 052	52
MCF—Produced	25	3 177 779	2 626 658	551 121	54
" Purchased—Associated Companies	25				55
" " Others	25	2 946 920	2 974 860	*27 940	56
" Exchange Gas Received	25	6 732	6 919	*187	57
					58
" Total Produced And Purchased	25	6 131 431	5 608 437	522 994	59
MCF (14.9*) Total Deliveries	25	6 860 684	6 220 683	649 001	60
" " Total Available for Deliveries	25	6 748 188	6 172 512	575 676	61
" " Unaccounted For (Losses in Black)	25	*112 496	*48 171	*64 325	62

*Indicates red figures.

(A)

(B)

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Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Gas 4 C
12 Months Ended December 31, 1941

		Amount			
Acct No.		Detail on Page	This Year	Last Year	Increase or Decrease
Operating Revenue—Gas					
600	Residential Sales	x x	9 446 77	186 018 44	+176 571 67
602-1	Commercial Sales	x x	290 39	76 497 50	+76 202 11
602-2	Industrial Sales	x x	910 723 20	673 091 89	237 631 31
605-1	Sales to Gas Utilities	x x	13 767 475 58	12 222 934 95	1 544 540 63
608-1	Other Sales—Field	x x	327 50	8 698 95	+8 371 45
Total			14 688 263 44	13 167 241 73	1 521 021 71
605-2	Sales to Associated Companies	x x			
Total Revenue—Gas			14 688 263 44	13 167 241 73	1 521 021 71
Operating Revenue Deductions					
	Production—Operation	15	376 292 17	328 814 97	47 477 20
	—Maintenance	15	27 123 09	22 181 71	4 941 38
	Gas Purchased—Associated Companies	15			
	Gas Purchased—Others	15	1 180 917 63	1 090 106 83	90 810 80
	Purchased Gas Expense—Operation	15	22 710 64	24 919 24	+2 208 60
	—Maintenance	15	2 559 61	3 834 63	+1 275 02
	Transmission—Operation	17	1 168 601 53	1 023 809 76	144 791 77
	—Maintenance	17	286 983 69	224 003 80	62 979 89
	Distribution—Operation	17		19 966 22	+19 966 22
	—Maintenance	18		5 063 03	+5 063 03
	Customers' Accounting and Collecting	18	23 964 52	33 150 58	+9 186 06
	Sales Promotion	18	22 721 09	22 066 37	654 72
	Administrative and General—Operation	19	718 151 14	694 777 27	23 373 87
	—Maintenance	19	1 242 18	2 571 83	+1 329 65
	Gas Used in Operations, Etc., includes overhead charged to constr.	19	+662 306 46	+692 472 16	30 166 70
Total Operation And Maintenance			3 168 961 83	2 802 794 08	366 167 75
Total Operation			2 851 053 26	2 545 159 08	305 914 18
Total Maintenance			317 908 57	257 655 00	60 253 57
503-1	Depreciation	x x	1 871 994 80	1 654 744 97	217 249 83
503-2	Amortization and Depletion—Producing Leases	x x	90 177 06	79 736 27	10 440 79
512	Amortization Non-Producing Leases	x x	74 685 45	80 408 63	+5 723 18
504	Amortization—Other	x x	332 142 69	329 110 13	3 032 56
507	Taxes—Federal Income	x x	1 831 106 77	1 436 598 47	394 508 30
507	Taxes—Federal Excess Profits	x x	1 582 774 72	561 000 00	1 021 774 72
507	Taxes—Other	x x	729 107 16	608 370 61	120 736 55
Total Operating Revenue Deductions			9 680 950 48	7 552 763 16	2 128 187 32
Net Operating Revenue—Gas			5 007 312 96	5 614 478 57	+607 165 61
Statistics					
MCF—Sales to Public	25		63 686 819	56 394 762	7 292 057
" Sales—Associated Companies	25				
Total Sales	25		63 686 819	56 394 762	7 292 057
" Company Use—Compressor Stations	25		3 375 784	3 170 695	205 089
" Other Company Use	25		947 071	955 458	+8 387 50
" Exchange Gas Delivered	25		33 892	79 099	+45 207 51
Total Deliveries			68 043 566	60 600 014	7 443 552
MCF—Produced	25		30 059 021	26 578 757	3 480 264
Purchased—Associated Companies	25				
" —Others	25		30 137 469	27 537 768	2 599 641
Exchange Gas Received	25		78 520	60 412	9 108 59
Total Produced And Purchased			60 274 010		

Net Operating Revenue—Gas					
Statistics					43
					44
MCF—Sales to Public	25	63 686 819	56 394 762	7 292 057	45
" Sales—Associated Companies	25				46
					47
" Total Sales	25	63 686 819	56 394 762	7 292 057	48
" Company Use—Compressor Stations	25	3 375 784	3 170 695	205 089	49
" Other Company Use	25	947 071	955 458	*8 387	50
" Exchange Gas Delivered	25	33 892	79 099	*45 207	51
					52
Total Deliveries	25	68 043 566	60 600 014	7 443 552	53
					54
MCF—Produced	25	30 059 021	26 578 757	3 480 264	55
" Purchased—Associated Companies	25				56
" " Others	25	30 137 409	27 537 768	2 599 641	57
" Exchange Gas Received	25	78 520	69 412	9 108	58
					59
" Total Produced And Purchased	25	60 274 950	54 185 937	6 089 013	60
MCF ((14:9*)) Total Deliveries	25	66 363 284	58 727 422	7 635 862	61
" " Total Available for Deliveries	25	66 336 729	59 635 475	6 701 254	62
" " Unaccounted For (Losses in Black)	25	*26 555	908 053	*934 608	63

(A)

(B)

(C)

*Indicates red figures.

5587

Acct No.	Detail on Page	This Year		Last Year		Increase or Decrease	
		Cents per Gallon		Cents per Gallon			
5501	Gross Sales—Gasoline Natural Gasoline	x x	110 216 14	4 21	40 198 27	1 77	70 017 87
							1
							2
							3
							4
							5
							6
	Total Gross Sales		110 216 94	4 21	40 198 27	1 77	70 017 87
							7
5510	Deductions From Gross Sales Discounts and Allowance	x x	956 56	04	368 75	02	587 81
							8
							9
							10
							11
							12
	Total Deductions		956 56	04	368 75	02	587 81
							13
	Total Net Sales		109 259 58	4 17	39 829 52	1 75	69 430 06
							14
5511	Cost Of Sales Natural Gasoline	x x	22 630	86	19 901 26	87	2 728 95
							15
5512	Inventory Adjustments	x x					
							16
							17
							18
							19
	Total Cost Of Sales		22 630 21	86	19 901 26	87	2 728 95
							20
	Gross Profit		86 629 37	3 31	19 928 26	88	66 701 11
							21
x x	Operating Expenses Marketing	20	312 41	01	358 53	02	+ 46 12
							22
x x	General	20	544 17	02	465 37	02	78 80
							23
5540	Depreciation	x x	7 130 00	27	6 930 00	30	200 00
							24
5541-1	Taxes—Federal Income	x x					
							25
5541-2	Taxes—Federal Excess Profits	x x					
							26
5542	Taxes—Other		360 74	02	371 84	02	+ 11 10
							27
							28
							29
							30
	Total Operating Expenses		8 347 32	32	8 125 74	36	221 58
							31
	Net Operating Profit—Gasoline		78 282 05	2 99	11 802 52	52	66 479 53
							32
			(A)	(B)	(C)	(D)	(E)
							33
							34
							35
							36
							37
							38
							39
	Gallons On Hand Beginning Of Period		97 861		129 791		+31 930
							40
	Natural Gasoline Produced		2 642 454		2 266 973		375 481
							41
							42
							43
							44
	To Be Accounted For		2 740 315		2 396 764		343 551
							45
							46
	Natural Gasoline Sold		2 618 843		2 272 851		345 992
							47
	Inventory Adjustments						
							48
							49
							50
	Total Sold And Used		2 618 843		2 272 851		345 992
							51
	On Hand End Of Period		121 472		123 913		+2 441
							52
							53
	Gas Treated—MCF		6 493 823		5 841 626		652 197
							54
	Average Yield Per Million Cu. Ft.—Gals.		406 92		388 07		18 85
							55

	(A)	(B)	(C)	(D)	(E)	33
Statistics						34
						35
						36
						37

Gallons Or MCF 38

	This Year	Last Year	Increase or Decrease	39
Gallons On Hand Beginning Of Period	97 861	129 791	*31 930	40
" Natural Gasoline Produced	2 642 454	2 266 973	375 481	41
				42
				43
				44
" To Be Accounted For	2 740 315	2 396 764	343 551	45
				46
" Natural Gasoline Sold	2 618 843	2 272 851	345 992	47
" Inventory Adjustments				48
				49
				50
" Total Sold And Used	2 618 843	2 272 851	345 992	51
" On Hand End Of Period	121 472	123 913	*2 441	52
				53
Gas Treated—MCF	6 493 823	5 841 626	652 197	54
Average Yield Per Million Cu. Ft.—Gals.	406 92	388 07	18 85	55
Gas Fuel—MCF	23 645	22 202	1 443	56
Gas Shrinkage—MCF	66 063	56 670	9 393	57
Cu. Ft. of Fuel Used Per Gallon Extracted	8 95	9 79	* 84	58
				59
				60
				61
				62
				63

*Indicates red figures.

5569

Acc't No.		Detail on Page	This Year		Last Year		Decrease		
			Amount	Cents per Gallon	Amount	Cents per Gallon	Amount		
5501	Gross Sales—Gasoline								1
	Natural Gasoline	x x	742 112 40	2 92	259 471 22	4 75	382 641 18		2
									3
									4
									5
									6
	Total Gross Sales		742 112 40	2 92	359 471 22	1 73	382 641 18		7
5510	Deductions From Gross Sales								8
	Discounts and Allowances	x x	7 034 46	03	3 749 21	02	3 285 25		9
									10
									11
									12
	Total Deductions		7 034 46	03	3 749 21	02	3 285 25		13
	Total Net Sales		735 077 94	2 89	355 722 01	1 71	379 355 93		14
5511	Cost Of Sales								15
	Natural Gasoline	x x	202 622 79	80	180 680 23	87	21 942 56		16
5512	Inventory Adjustments	x x			39 87		*39 87		17
									18
									19
	Total Cost Of Sales		202 622 79	80	180 720 10	87	21 902 69		20
	Gross Profit		532 455 15	2 09	175 001 91	84	357 453 24		21
	Operating Expenses								22
x x	Marketing	20	3 359 02	01	3 063 67	01	295 35		23
x x	General	20	6 896 47	03	5 704 84	03	1 191 63		24
5540	Depreciation	x x	66 000 00	26	66 000 00	32			25
5541-1	Taxes—Federal Income	x x							26
5541-2	Taxes—Federal Excess Profits	x x							27
5542	Taxes—Other		4 515 77	02	4 500 87	02	14 90		28
									29
									30
	Total Operating Expenses		80 771 26	32	79 269 38	38	1 501 88		31
	Net Operating Profit—Gasoline		451 683 89	1 77	95 732 53	46	355 951 36		32

(A) (B) (C) (D) (E)

Statistics

Gallons Or MCF				
	This Year	Last Year	Increase or Decrease	
Gallons On Hand Beginning Of Period	123 913	163 097	*39 184	39
" Natural Gasoline Produced	25 423 109	20 793 278	4 629 831	40
				41
				42
				43
				44
" To Be Accounted For	25 547 022	20 956 375	4 590 647	45
				46
" Natural Gasoline Sold	25 425 550	20 827 942	4 597 608	47
" Inventory Adjustments		4 520	*4 520	48
				49
				50
" Total Sold And Used	25 425 550	20 832 462	4 593 088	51
" On Hand End Of Period	121 472	123 913	*2 441	52
				53
Gas Treated—MCF	62 632 791	54 671 339	7 961 452	54
Average Yield Per Million Cu. Ft.—Gals.	405 91	380 33	25 58	55
Gas Fuel—MCF	240 895	216 122	24 773	56
Gas Shrinkage—MCF	635 706	519 828	115 878	57
Cu. Ft. of Fuel Used Per Gallon Extracted	9 48	10 39	*91	58

	(A)	(B)	(C)	(D)	(E)	33
Statistics						34
						35
						36
						37

	Gallons Or MCF			38
	This Year	Last Year	Increase or Decrease	39
Gallons On Hand Beginning Of Period	123 913	163 097	*39 184	40
" Natural Gasoline Produced	25 423 109	20 793 278	4 629 831	41
				42
				43
				44
" To Be Accounted For	25 547 022	20 956 375	4 590 647	45
" Natural Gasoline Sold	25 425 550	20 827 942	4 597 608	46
" Inventory Adjustments		4 520	*4 520	47
				48
				49
				50
" Total Sold And Used	25 425 550	20 832 462	4 593 088	51
" On Hand End Of Period	121 472	123 913	*2 441	52
				53
Gas Treated—MCF	62 632 791	54 671 339	7 961 452	54
Average Yield Per Million Cu. Ft.—Gals.	405 91	380 33	25 58	55
Gas Fuel—MCF	240 895	216 122	24 773	56
Gas Shrinkage—MCF	635 706	519 828	115 878	57
Cu. Ft. of Fuel Used Per Gallon Extracted	9 48	10 39	* 91	58
				59
				60
				61
				62
				63

*Indicates red figures.

(F)

(G)

(H)

5571

Acc't No.		Amount			
		This Year	Last Year	Increase or Decrease	
	Month of December				1
	Gross Revenue—Non-Operating				2
520-1	Revenue from Jobbing and Contract Work	1 756 99	319 01	1 437 98	3
522	Revenue from Lease of Other Physical Property	687 04	607 22	79 82	4
526	Miscellaneous Non-Operating Revenues	6 21	5 76	45	5
					6
					7
					8
					9
					10
	Total Revenue—Non-Operating	2 450 24	931 99	1 518 25	11
	Operating Expenses				12
520-2	Jobbing and Contract Work —Labor	1 331 63	53 27	1 278 36	13
520-3	Jobbing and Contract Work —S. & E.	861 62	140 25	721 37	14
527-1	Operation—Leased Property	133 08	131 02	2 06	15
527-2	Maintenance—Leased Property	271 75	178 05	93 70	16
					17
					18
					19
	Total Expenses	2 598 08	502 58	2 095 49	20
	Net Revenue—Non-Operating	*147 84	429 40	*577 24	21
					22
	Months Ended				23
	Gross Revenue—Non-Operating				24
520	Revenue from Jobbing and Contract Work				25
522	Revenue from Lease of Other Physical Property				26
526	Miscellaneous Non-Operating Revenues				27
					28
					29
					30
					31
	Total Revenue—Non-Operating				32
	Operating Expenses				33
520-2	Jobbing and Contract Work —Labor				34
520-3	Jobbing and Contract Work —S. & E.				35
527-1	Operation—Leased Property				36
527-2	Maintenance—Leased Property				37
					38
					39
					40
	Total Expenses				41
	Net Revenue—Non-Operating				42
					43
	12 Months Ended December 31				44
	Gross Revenue—Non-Operating				45
520-1	Revenue from Jobbing and Contract Work	3 424 51	2 978 78	442 73	46
522	Revenue from Lease of Other Physical Property	8 005 55	7 176 87	828 68	47
526	Miscellaneous Non-Operating Revenues	88 29	2 333 40	*2 245 11	48
					49
					50
					51
					52
	Total Revenue—Non-Operating	11 515 35	12 489 05	*973 70	53
	Operating Expenses				54
520-2	Jobbing and Contract Work —Labor	1 555 98	1 018 24	537 74	55
520-3	Jobbing and Contract Work —S. & E.	1 636 17	1 211 27	424 90	56
527-1	Operation—Leased Property	1 809 61	1 273 67	535 94	57
527-2	Maintenance—Leased Property	5 985 18	4 978 65	1 006 53	58
					59
					60
					61

12 Months Ended December 31					38
Total Expenses					41
Net Revenue—Non-Operating					42
12 Months Ended December 31					43
Gross Revenue—Non-Operating					45
520-1	Revenue from Jobbing and Contract Work	3 421 51	2 978 78	442 73	46
522	Revenue from Lease of Other Physical Property	8 005 55	7 176 87	828 68	47
526	Miscellaneous Non-Operating Revenues	88 29	2 333 40	*2 245 11	48
Total Revenue—Non-Operating					53
Operating Expenses					54
520-2	Jobbing and Contract Work—Labor	1 555 98	1 018 24	537 74	55
520-3	Jobbing and Contract Work—S. & F.	1 636 17	1 211 27	424 90	56
527-1	Operation—Leased Property	1 809 61	1 273 67	535 94	57
527-2	Maintenance—Leased Property	5 985 18	4 978 65	1 006 53	58
Total Expenses					62
Net Revenue—Non-Operating					63

*Indicates red figures.

A m o u n t

Acc't No.	Detail on Page	This Year	Last Year	Increase or Decrease	
Other Income					1
Month Of December					2
523	Dividend Revenues—Associated Companies	14			3
524-1	Interest on Securities Owned	14	2 130 92	1 185 22	4
524-21	Interest Revenues—Associated Companies	14		945 70	5
524-22	Interest Revenues—Other	14		9 64	6
					7
					8
					9
					10
					11
Total Other Income	14	2 130 92	1 194 86	936 06	12
Months Ended					13
523	Dividend Revenues—Associated Companies	14			14
524-1	Interest on Securities Owned	14			15
524-21	Interest Revenues—Associated Companies	14			16
524-22	Interest Revenues—Other	14			17
					18
					19
					20
					21
Total Other Income	14				22
12 Months Ended December 31					23
523	Dividend Revenues—Associated Companies	14			24
524-1	Interest on Securities Owned	14	17 434 95	13 186 64	25
524-21	Interest Revenues—Associated Companies	14			26
524-22	Interest Revenues—Other	14	1 106 94	240 89	27
				866 05	28
					29
					30
					31
Total Other Income	14	18 541 89	13 427 53	5 114 36	32
Other Deductions					33
Month Of December					34
530	Interest on Long-Term Debt	14	45 052 09	75 000 00	35
531	Amortization of Debt Discount and Expense	14		25 768 77	36
533	Taxes Assumed on Interest	14	211 20	120 53	37
534	Interest on Debt to Associated Companies	14			38
535	Other Interest Charges	14		713 45	39
	Total Other Deductions	14	45 263 29	101 602 75	40
536	Interest Charged to Construction	14	6 531 14	2 735 12	41
Months Ended					42
530	Interest on Long-Term Debt	14			43
531	Amortization of Debt Discount and Expense	14			44
533	Taxes Assumed on Interest	14			45
534	Interest on Debt to Associated Companies	14			46
535	Other Interest Charges	14			47
Total Other Deductions	14				48
536	Interest Charged to Construction	14			49
12 Months Ended December 31					50
530	Interest on Long-Term Debt	14	651 903 65	903 333 32	51
				251 429 67	52

						36
						37
						38
			Month Of December			
530	Interest on Long-Term Debt	14	45 952 09	75 000 00	+29 947 91	39
531	Amortization of Debt Discount and Expense	14		25 768 77	+25 768 77	40
533	Taxes Assumed on Interest	14	211 20	120 53	90 67	41
534	Interest on Debt to Associated Companies	14				42
535	Other Interest Charges	14		713 45	+713 45	43
	Total Other Deductions	14	45 263 29	101 602 75	+56 339 46	44
536	Interest Charged to Construction		6 531 14	2 735 12	3 796 02	45
						46
			Months Ended			47
530	Interest on Long-Term Debt	14				48
531	Amortization of Debt Discount and Expense	14				49
533	Taxes Assumed on Interest	14				50
534	Interest on Debt to Associated Companies	14				51
535	Other Interest Charges	14				52
	Total Other Deductions	14				53
536	Interest Charged to Construction					54
						55
			12 Months Ender December 31			56
530	Interest on Long-Term Debt	14	651 903 65	903 333 32	+251 429 67	57
531	Amortization of Debt Discount and Expense	14	27 486 70	310 029 24	+282 542 54	58
533	Taxes Assumed on Interest	14	1 614 71	1 001 02	613 69	59
534	Interest on Debt to Associated Companies	14				60
535	Other Interest Charges	14	4 343 86	1 786 09	2 557 77	61
	Total Other Deductions	14	685 348 92	1 216 149 67	+530 800 75	62
536	Interest Charged to Construction		11 774 51	36 827 80	+25 053 29	63

(A)

(B)

(C)

*Indicates red figures.

[fol. 15794]

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Suplus 10
12 Months Ended December 31, 1941

Surplus—January 1, 1941					x x x x x x x x	7 922 967 21	1
Surplus—Prior to December 31, 1935					*1 444 35		2
Surplus—Since December 31, 1935					7 924 411 56		3
							4
Additions:							5
							6
Net Income 12 Months Ended Dec. 31, 1943 As Shown by Earnings Summary					x x x x x x x x	4 804 492 74	7
Other Credits							8
							9
							10
Surplus prior to December 31, 1935 eliminated as the result of Central Distributing Company ceasing to be a subsidiary of Panhandle Eastern Pipe Line Company as of January 1, 1941						1 444 35	11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21
							22
							23
							24
							25
							26
							27
Total					x x x x x x x x	12 728 904 30	28
Deductions:							29
							30
							31
Dividends	No.	Declared	Record	Payment			32
Preferred	21	1/25/41	3/15/41	4/ 1/41	165 000 00		33
"	22	5/20/41	6/14/41	7/ 1/41	165 000 00		34
"	23	9/29/41	9/29/41	10/ 1/41	165 000 00		35
"	24	12/19/41	12/19/41	1/ 1/42	165 000 00	660 000 00	36
Common	8	1/25/41	1/25/41	1/25/41	339 094 14		37
"	9	2/28/41	3/ 5/41	3/20/41	403 683 50		38
"	10	5/20/41	5/24/41	6/ 9/41	403 683 50		39
"	11	9/29/41	10/ 2/41	10/17/41	807 367 00	1 953 828 14	40
Participating (Preferred)	5	9/29/41	10/ 2/41	10/17/41	201 841 75		41
"	6	12/19/41	12/22/41	1/ 6/42	538 244 67	740 086 42	42
Other Charges							43
Surplus since December 31, 1935 eliminated as the result of Central Distributing Company ceasing to be a subsidiary of Panhandle Eastern Pipe Line Company as of January 1, 1941						27 767 84	44
Other Charges							45
Unamortized Debt Discount and Expense:							46
Twenty-year Sinking Fund Mortgage Bonds,							47
Series A, 6%, due October 1, 1950					890 386 60		48
First Mortgage and First Lien Bonds,							49
Series A, 4%, due March 1, 1952					791 676 91		50
First Mortgage and First Lien Bonds,							51
Series A, 4%, due March 1, 1952 — Call Premium					115 931 04		52
First Mortgage and First Lien Bonds,							53
Series A, due Serially November 1, 1946 to Nov. 1, 1950					56 255 05		54
First Mortgage and First Lien 3% Bonds,							55
Series B, due November 1, 1960					72 152 04		56
Serial Notes, Series A, B, C and D,							57
Due Serially November 1, 1942 to November 1, 1945					34 346 73	1 960 748 37	58
							59
							60
							61
Total Deductions					x x x x x x x x	5 342 430 77	62
Surplus December 31, 1941							63

Participating (Preferred)	5	9/29/41	10/2/41	10/17/41	201 841 75		43
	6	12/19/41	12/22/41	1/6/42	538 244 67	740 086 42	41
Other Charges							42
Surplus since December 31, 1935 eliminated as the result of Central Distributing Company ceasing to be a subsidiary of Panhandle Eastern Pipe Line Company as of January 1, 1941						27 767 84	43
Other Charges							44
Unamortized Debt Discount and Expense:							45
Twenty-year Sinking Fund Mortgage Bonds, Series A, 6%, due October 1, 1950					890 386 60		46
First Mortgage and First Lien Bonds, Series A, 4%, due March 1, 1952					791 676 91		47
First Mortgage and First Lien Bonds, Series A, 4%, due March 1, 1952 — Call Premium					115 931 04		48
First Mortgage and First Lien Bonds, Series A, due Serially November 1, 1946 to Nov. 1, 1950					56 255 05		49
First Mortgage and First Lien 3% Bonds, Series B, due November 1, 1960					72 152 04		50
Serial Notes, Series A, B, C and D, Due Serially November 1, 1942 to November 1, 1945					34 346 73	1 960 748 37	51
							52
							53
							54
							55
							56
							57
							58
							59
							60
							61
Total Deductions					XXXXXXX	5 342 430 77	62
Surplus December 31, 1941					XXXXXXX	7 386 473 53*	63
					(A)	(B)	

*For restriction as to payment of dividends and segregation of surplus, see Page 2A.

*Indicates red figures.

5377

Description		Over Previous Month	Since January First	
Gas Plant				1
Gas Plant in Service (Installed Since January 1, 1940)				2
Main Line System (Texas to Indiana)				3
Illinois Natural Gas Company	152 788 99	3 040 18	136 833 61	4
Panhandle Eastern Pipe Line Company	7 093 217 50	528 174 18	1 568 464 10	5
Total	7 246 006 49	531 214 36	1 705 297 71	6
Other Leaseholds, Wells, Lines, Compressors, etc.				7
Central Distributing Company			*23 017 29	8
Panhandle Eastern Pipe Line Company (Local Area)	68 365 17	5 893 66	41 737 52	9
Total	68 365 17	5 893 66	18 720 23	10
Other Gas Sales and Purchase Contracts				11
Panhandle Eastern Pipe Line Company	35 215 32	*521 67	12 753 42	12
Total Page 1, Line 2	7 349 586 98	536 586 35	1 736 771 36	13
Construction Work in Progress				14
Illinois Natural Gas Company	230 664 37	120 670 14	215 757 33	15
Panhandle Eastern Pipe Line Company	2 668 429 03	1 040 906 57	1 994 523 95	16
Total Page 1, Line 3	2 899 093 40	1 161 576 71	2 210 281 28	17
Gas Plant in Process of Reclassification				18
Main Line System (Texas to Indiana)				19
Illinois Natural Gas Company	2 724 666 73	*30 00	*1 090 99	20
Panhandle Eastern Pipe Line Company	53 352 283 11	*14 712 33	*346 298 41	21
Total	56 076 949 84	*14 742 33	*347 389 40	22
Other Leasehold, Wells, Lines, Compressors, etc.				23
Central Distributing Company			*472 633 80	24
Panhandle Eastern Pipe Line Company (Local Area)	1 834 605 65	*2 936 13	*58 495 45	25
Total	1 834 605 65	*2 936 13	*531 129 25	26
Gas Sales and Purchase Contracts				27
Panhandle Eastern Pipe Line Company	2 930 286 40			28
Less — Reserve for Amortization	1 758 171 60	1 172 114 80	*24 419 05	29
Other Gas Sales and Purchase Contracts				30
Panhandle Eastern Pipe Line Company	317 681 96	*2 655 21	*31 862 52	31
Total Page 1, Line 5	59 401 352 25	*44 752 72	*1 203 409 77	32
Total Page 1, Line 10	69 650 032 63	1 653 410 34	2 743 642 87	33

Detail Of
Balance Sheet Accounts
*Indicates red figures.

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Month of December 1941

11 A

Investment And Fund Accounts

Other Investments

Panhandle Eastern Pipe Line Company

Total Page 1, Line 17

204 498 52

Current And Accrued Assets

Special Deposits

Panhandle Eastern Pipe Line Company

Total Page 1, Line 28

102 580 14

Working Funds

Illinois Natural Gas Company

Panhandle Eastern Pipe Line Company

323 03

11 249 05

Total Page 1, Line 29

11 572 08

Temporary Cash Investments

Panhandle Eastern Pipe Line Company

Total Page 1, Line 30

2 750 000 00

Long-Term Debt

Bonds

Panhandle Eastern Pipe Line Company

Total Page 2, Line 13

18 250 000 00

Miscellaneous Long-Term Debt

Panhandle Eastern Pipe Line Company

Total Page 2, Line 16

5 009 789 19

Current And Accrued Liabilities

Accounts Payable

Illinois Natural Gas Company

Panhandle Eastern Pipe Line Company

9 791 72

1 073 546 16

Total Page 2, Line 22

1 083 337 88

Matured Long-Term Debt

Panhandle Eastern Pipe Line Company

Total Page 2, Line 26

96 822 14

(A)

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(C)

(D)

Detail Of
Balance Sheet Accounts
*Indicates red figures.

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Month of December 1941

11 B

Acc't No.	Title of Account and Description	Total Amount Basis	Months to Run	Balance Beginning of Month	Changes During Month		Balance End of Month	
					Debits	Credits		
125-2	Current And Accrued Assets							1
	<u>Other Accounts Receivable</u>							2
	Illinois Natural Gas Company			1 514 28	2 029 00	112 59	3 430 69	3
	Panhandle Eastern Pipe Line Company			79 746 66	119 908 76	125 854 92	73 800 50	4
								5
	Total Page 1, Line 33			81 260 94	21 937 76	125 967 51	77 231 19	6
131-1	<u>Materials and Supplies—Gas</u>							7
	Illinois Natural Gas Company			1 421 88	277 88	307 32	1 392 39	8
	Panhandle Eastern Pipe Line Company			331 177 13	53 447 70	22 076 17	362 548 66	9
								10
	Total Page 1, Line 36			332 599 01	53 725 53	22 383 49	363 941 05	11
132	<u>Prepayments</u>							12
	Panhandle Eastern Pipe Line Company							13
	Total Page 1, Line 39			117 023 74	12 468 23	34 759 79	94 732 18	14
140	<u>Deferred Debits</u>							15
	<u>Unamortized Debt Discount and Expense</u>							16
	Panhandle Eastern Pipe Line Company							17
	Total Page 1, Line 49			1 800 164 03		1 800 164 03		18
								19
143	<u>Clearing Accounts</u>							20
	Panhandle Eastern Pipe Line Company							21
	Total Page 1, Line 50			4 652 58	172 765 87	170 657 88	6 760 57	22
								23
144	<u>Retirement Work in Progress</u>							24
	Illinois Natural Gas Company			1 026 69	42 18	1 068 87		25
	Panhandle Eastern Pipe Line Company			300 976 86	43 837 77	344 814 63		26
								27
	Total Page 1, Line 51			302 003 55	43 879 95	345 883 50		28
145	<u>Other Work in Progress</u>							29
	Illinois Natural Gas Company			1 556 25	1 115 31	2 671 56		30
	Panhandle Eastern Pipe Line Company			114 889 95	83 258 24	21 528 39	176 619 80	31
								32
	Total Page 1, Line 52			116 446 20	84 373 55	24 199 95	176 619 80	33
146	<u>Other Deferred Debits</u>							34
	Panhandle Eastern Pipe Line Company							35
	Total Page 1, Line 53			4 020 89	48 02		4 068 91	36
								37

(A)

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Detail Of
Balance Sheet AccountsPanhandle Eastern Pipe Line Company
And Subsidiary Companies

Month of December 1941 12, A

fol. 15798]	Acc't No.	Title of Account and Description	Total Amount Basis	Months to Run	Balance Beginning of Month	Changes During Month		Balance End of Month
						Debits	Credits	
		<u>Current And Accrued Liabilities</u>						
226		<u>Matured Interest</u>						
		Panhandle Eastern Pipe Line Company						
		Total Page 2, Line 27			5 430 00	1 200 00	—	4 230 00
<hr/>								
228		<u>Taxes Accrued</u>						
		Illinois Natural Gas Company			66 270 39	8 724 32	7 778 44	65 324 51
		Panhandle Eastern Pipe Line Company			3 607 216 38	779 922 22	325 884 75	3 153 178 91
<hr/>								
		Total Page 2, Line 29			3 673 486 77	788 646 54	333 663 19	3 218 503 42
<hr/>								
229-1		<u>Interest Accrued Long-Term Debt</u>						
		Panhandle Eastern Pipe Line Company						
		Total Page 2, Line 30			45 052 09	—	45 052 09	90 104 18
<hr/>								
230		<u>Other Current and Accrued Liabilities</u>						
		Panhandle Eastern Pipe Line Company						
		Total Page 2, Line 32			2 026 97	14 784 31	16 190 76	3 431 42
<hr/>								
242		<u>Deferred Credits</u>						
		<u>Other Deferred Credits</u>						
		Panhandle Eastern Pipe Line Company						
		Total Page 2, Line 39			43 636 63	270 14	48 02	43 414 51

Acct No.	Title of Account and Description	Total Amount Basis	Months to Run	Balance Beginning of Month	Changes During Month		Balance End of Month	
					Debits	Credits		
	Reserves							
250-6	Depreciation, Depletion and Amortization							1
	<u>In Process of Reclassification</u>							2
	<u>Property, Plant and Equipment</u>							3
	Illinois Natural Gas Company			496 242 23	766 58	7 500 00	502 975 65	4
	Panhandle Eastern Pipe Line Company			9 499 954 11	198 979 02	215 984 80	9 516 950 89	5
								6
				9 996 196 34	199 745 60	223 484 80	10 019 935 54	7
								8
	Gas Sales and Purchase Contracts							9
	Panhandle Eastern Pipe Line Company	old			24 419 05	24 419 05		10
	Other Gas Sales and Purchase Contracts	24,419 05						11
	Panhandle Eastern Pipe Line Company	12			2 655 21	2 655 21		12
								13
		293,028 60						14
					27 074 26	27 074 26		15
	<u>Automobiles</u>							16
	Panhandle Eastern Pipe Line Company			23 521 39	1 245 21	3 572 33	25 848 51	17
								18
	<u>Amortization of Leaseholds</u>							19
	Panhandle Eastern Pipe Line Company			537 233 79	2 00		537 231 79	20
								21
	<u>Gas Plant in Service</u>							22
	Other Gas Sales and Purchase Contracts							23
	Panhandle Eastern Pipe Line Company				521 67	521 67		24
								25
	<u>Producing Natural Gas Land and Gas Rights</u>							26
	Panhandle Eastern Pipe Line Company			160 380 02		9 533 31	169 913 33	27
								28
								29
	<u>Abandoned Leases</u>							29
	Panhandle Eastern Pipe Line Company			148 900 69		6 193 39	155 094 08	30
								31
	Total Page 2, Line 46			10 866 232 23	228 588 74	270 379 76	10 908 623 25	32
								33
254	<u>Uncollectible Accounts</u>							34
	Illinois Natural Gas Company			12 300 00		300 00	12 600 00	35
	Panhandle Eastern Pipe Line Company			37 019 88		600 00	37 619 88	36
								37
	Total Page 2, Line 47			49 319 88		900 00	50 219 88	38
								39
								40
								41
								42
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*Applied as a reduction of asset account

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[fol. 15800]

Acct No.	Title of Account and Description	Total Amount Basis	Months to Run	Balance Beginning of Month	Changes During Month		Balance End of Month	
					Debits	Credits		
	<u>Reserves (Cont.)</u>							1
256	<u>Injuries and Damages</u>							2
	Illinois Natural Gas Company			10 500 00	—	300 00	10 800 00	3
	Panhandle Eastern Pipe Line Company			89 123 74	—	1 000 00	90 123 74	4
								5
	Total Page 2, Line 48			99 623 74	—	1 300 00	100 923 74	6
								7
258	<u>Other Reserves</u>							8
	Panhandle Eastern Pipe Line Company							9
	Total Page 2, Line 49			624 800 94	—	—	624 800 94	10
								11
	<u>Contributions In Aid Of Construction</u>							12
265	<u>Contributions in Aid of Construction</u>							13
	Illinois Natural Gas Company			6 261 51	—	—	6 261 51	14
	Panhandle Eastern Pipe Line Company			35 801 06	—	—	35 801 06	15
								16
	Total Page 2, Line 54			42 062 57	—	—	42 062 57	17
								18
								19
								20
								21
								22
								23
								24
								25
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Detail Of
Balance Sheet Accounts(A) (B) (D)
Panhandle Eastern Pipe Line Company
And Subsidiary Companies(E) (E) (F)
Month of December 1941 12 D

Acc't No.	Description	Current Month		Months To Date		Twelve Months To Date		
		This Year	Last Year	This Year	Last Year	This Year	Last Year	
	Taxes—Federal:							1
	Income	186 306 77	186 200 00			1 690 000 00	1 436 598 47	2
	Excess Profits	99 774 72	100 000 00			900 000 00	561 000 00	3
	Total Federal Income and Excess Profits Taxes	286 081 49	286 200 00			2 590 000 00	1 997 598 47	4 5 6
	Charges In Lieu Of Taxes							7
	Federal Income					141 106 77	—	8
	Federal Excess Profits					682 774 72	—	9 10
	Total Charges in lieu of Taxes*					823 881 49*	—	11 12
	Total Page 3, Lines 12 and 13, 54, and 55	286 081 49	286 200 00			3 413 881 49	1 997 598 47	13 14 15
	Taxes — Other							16
	Ad valorem	36 988 57	*18 263 05			492 918 15	437 745 73	17 18
	Gross Production, Receipts, etc.	4 488 12	1 859 03			52 810 88	23 330 88	19
	Franchise					7 860 14	*14 055 82	20
	State Income	*9 000 00	*9 500 00			35 000 00	46 425 77	21
	Unemployment Compensation—States	25 90	*1 889 76			21 111 57	25 034 06	22
	Capital Stock Tax—State	560 00	1 475 00			7 962 39	8 662 16	23
	Federal Capital Stock	9 910 00	6 160 00			103 200 00	74 494 30	24
	Federal Excise—Old Age Benefits	240 70	*825 94			9 769 06	8 591 67	25
	Federal Excise—Unemployment Ins.	85 15	*244 11			2 991 04	2 638 93	26
	Total Page 3, Lines 14 and 56	43 298 44	*21 228 83			733 622 93	612 871 48	27 28 29

*Charges in lieu of Federal Income and Excess Profits Taxes represent an amount equivalent to income taxes which would have been payable on current earnings if Panhandle Eastern Pipe Line Company had not had the benefit for tax purpose, of deductions for discount, premium and expense resulting from the refinancing of long term debt. Such amounts have been credited to Unamortized Debt Discount and Expense as a partial offset to the items included therein applicable to the bonds which were retired.

Detail Of Taxes

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Month of December 1941 14 A

*Indicates red figures.

[fol. 15802] Acct No.	Description	Current Month		Months To Date		Twelve Months To Date		
		This Year	Last Year	This Year	Last Year	This Year	Last Year	
	Other Income							1
524-1	Interest on Securities Owned							2
	Panhandle Eastern Pipe Line Co.							3
	Total Page 9, Lines 6 and 26	2 130 92	1 185 22			17 434 95	13 186 64	4
								5
524-22	Interest Revenue—Other							6
	Central Distributing Co.		9 64				171 34	7
	Illinois Natural Gas Co.					6 94		8
	Panhandle Eastern Pipe Line Co.					1 100 00	69 55	9
								10
	Total Page 9, Lines 8 and 28		9 64			1 106 94	240 89	11
								12
	Total Page 9, Lines 12 and 32	2 130 92	1 194 86			18 541 89	13 427 53	13
								14
	Other Deductions							15
530	Interest on Long-Term Debt							16
	Panhandle Eastern Pipe Line Co.							17
	Total Page 9, Lines 39 and 57	45 052 09	75 000 00			651 903 65	903 333 32	18
								19
								20
531	Amortization Debt Discount Expense							21
	Panhandle Eastern Pipe Line Co.							22
	Total Page 9, Lines 40 and 58		25 768 77			27 486 70	310 020 24	23
								24
								25
533	Taxes Assumed on Interest							26
	Panhandle Eastern Pipe Line Co.							27
	Total Page 9, Lines 41 and 59	211 20	120 53			1 614 71	1 001 02	28
								29
								30
535	Other Interest Charges							31
	Central Distributing Co.		24 75				114 41	32
	Illinois Natural Gas Co.						4 75	33
	Panhandle Eastern Pipe Line Co.		688 70			4 343 86	1 666 93	34
								35
	Total Page 9, Lines 43 and 61		713 45			4 343 86	1 786 09	36
								37
								38
	Total Page 9, Lines 44 and 62	145 263 29	101 602 75			685 348 92	1 216 149 67	39
								40
								41
								42
								43
								44
								45
								46
								47

Detail Of Other Income and
Other Deductions

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Month of December 1941 14 B

12 Months To Date			Acc't No.	Production Operation	Current Month		
This Year	Last Year	This Year			Last Year		
21 421 78	19 248 79	733-1	Supervision & Engineering	—Labor	3 076 04	1 754 82	1
2 932 41	2 556 84	733-2	"	—S. & E.	329 65	150 15	2
6 062 97	6 631 74	734-1	Gas Well	—Labor	488 56	431 21	3
5 450 42	6 382 74	735-1	"	—S. & E.	443 26	652 59	4
12 559 39	11 634 85	734-2	Field Lines	—Labor	2 027 00	1 243 94	5
5 191 97	4 088 34	735-2	"	—S. & E.	598 10	544 27	6
46 00		734-31	Field Compressor Station	—Labor	46 00		7
40 21		735-31	"	—S. & E.	40 21		8
11 525 85	12 583 54	734-32	Field Measuring Station	—Labor	1 589 34	1 086 57	9
4 042 30	4 326 10	735-32	"	—S. & E.	377 75	404 83	10
5 626 01	5 214 20	734-41	Other Production	—Labor	885 04	488 22	11
2 433 31	2 214 75	735-41	"	—S. & E.	193 27	222 81	12
5 513 70	6 278 98	734-42	Land Department	—Labor	734 75	428 58	13
5 221 31	2 642 54	735-42	"	—S. & E.	365 68	144 81	14
171 043 82	143 341 99	745	Gas Well Royalties		18 400 03	14 457 86	15
400 09	325 00	746	Natural Gas Rents		36 75	30 00	16
116 780 63	101 344 57	510	Delay Rentals		8 591 28	7 617 10	17
							18
							19
376 292 17	328 814 97		Total Operation		38 222 71	29 657 76	20
			Maintenance				21
6 633 64	3 236 38	739-1	Supervision & Engineering	—Labor	530 12	330 42	22
903 73	448 34	739-2	"	—S. & E.	72 18	30 41	23
		740-211	Field Compressor Station Struct.	—Labor			24
		740-212	"	—S. & E.			25
120 18	365 04	740-221	Field Measuring Station Struct.	—Labor			26
90 17	263 18	740-222	"	—S. & E.		5 05	27
1 491 67	981 21	740-31	Other Prod. System Struct.	—Labor	358 01	118 40	28
805 75	624 35	740-32	"	—S. & E.	110 02	43 36	29
2 476 52	3 051 35	741-1	Producing Gas Well Equip.	—Labor	127 03	400 72	30
4 323 89	7 416 43	741-2	"	—S. & E.	403 71	2 151 93	31
4 546 34	1 863 45	742-11	Field Lines	—Labor	239 55	202 33	32
3 481 14	1 977 05	742-12	"	—S. & E.	276 94	176 32	33
		742-211	Field Compressor Station Equip.	—Labor			34
8 50		742-212	"	—S. & E.	8 50		35
1 107 79	1 055 06	742-221	Field Measuring Station Equip.	—Labor	426 80	77 31	36
757 38	780 79	742-222	"	—S. & E.	66 02	62 97	37
35 08	36 08	743-1	Drilling & Cleaning Equip.	—Labor			38
276 64	13 91	743-2	"	—S. & E.			39
54 59	69 10	744-1	Other Natural Gas Property	—Labor	54 59		40
10 08		744-2	"	—S. & E.			41
							42
27 123 09	22 181 71		Total Maintenance		2 373 47	3 599 22	43
403 415 26	350 996 68		Total Production Expenses—Gas		40 596 18	33 256 98	44
30 059 021	26 578 757		Total MCF Produced		3 177 779	2 626 658	45
1 346	1 326		Average Cost Per MCF		1 286	1 276	46
			Gas Purchased				47
			Operation				48
							49
		754-11	Gas Purchased—Associated Companies				50
1 180 917 63	1 090 106 83	754-12	" —Others		115 996 43	117 754 74	51
11 539 35	12 211 56	755-1	Purchased Gas Exp.—Measurement	—Labor	1 288 45	1 042 19	52
4 530 41	4 458 27	755-2	"	—S. & E.	513 80	398 02	53
4 367 59	5 716 85	755-3	Purchased Gas Exp.—Other	—Labor	365 55	427 65	54
2 273 29	2 532 56	755-4	"	—S. & E.	150 55	266 94	55
1 203 628 27	1 115 026 07		Total Operation		118 314 78	119 889 54	56
			Maintenance				57
1 512 91	2 222 75	755-5	Purchase Measuring Station	—Labor	88 06	195 33	58
1 046 70	1 611 88	755-6	"	—S. & E.	41 23	147 98	59
2 559 61	3 834 63		Total Maintenance		129 29	343 31	60
1 206 187 88	1 118 860 70		Total Gas Purchased		118 444 07	120 232 85	61
30 137 409	27 537 768		Total MCF Purchased		2 446 031	2 274 000	62

10 08	—	744-2	" " " " " "	—S. & E.			41
							42
27 123 09	22 181 71		Total Maintenance		2 373 47	3 599 22	43
403 415 26	350 996 68		Total Production Expenses—Gas		40 596 18	33 256 98	44
30 059 021	26 578 757		Total MCF Produced		3 177 779	2 626 658	45
1 34¢	1 32¢		Average Cost Per MCF		1 28¢	1 27¢	46
							47
			Gas Purchased				48
			Operation				49
		754-11	Gas Purchased—Associated Companies				50
1 180 917 63	1 090 106 83	754-12	" " —Others		115 996 43	117 754 74	51
11 539 35	12 211 56	755-1	Purchased Gas Exp.—Measurement —Labor		1 288 45	1 042 19	52
4 530 41	4 458 27	755-2	" " " " —S. & E.		513 80	398 02	53
4 367 59	5 716 85	755-3	Purchased Gas Exp.—Other —Labor		365 55	427 65	54
2 273 29	2 532 56	755-4	" " " " —S. & E.		150 55	206 94	55
1 203 628 27	1 115 026 07		Total Operation		118 314 78	119 889 54	56
			Maintenance				57
1 512 91	2 222 75	755-5	Purchase Measuring Station —Labor		88 06	195 33	58
1 046 70	1 611 88	755-6	" " " " —S. & E.		41 23	147 98	59
2 559 61	3 834 63		Total Maintenance		129 29	343 31	60
1 206 187 88	1 118 860 70		Total Gas Purchased		118 444 07	120 232 85	61
30 137 409	27 537 768		Total MCF Purchased		2 946 920	2 974 860	62
4.01¢	4.06¢		Average Cost Per MCF		4.02¢	4.04¢	63
(A)	(B)				(C)	(D)	

5595

12 Months To Date		Acct No.	Transmission		Current Month			
This Year	Last Year				This Year	Last Year		
Operation								1
76 475 56	64 451 08	758-	Supervision & Engineering	-Labor	10 677 04	5 552 90	2	
17 133 39	14 186 56	758-2	"	-S. & E.	1 347 55	1 297 28	3	
312 647 90	262 016 06	759-111	Pumping Station	-Labor	43 468 44	22 696 41	4	
77 845 07	64 960 67	759-1211	"	-S. & E.	7 231 04	6 503 98	5	
506 367 60	475 604 25	759-1212	"	-Power	60 403 05	52 347 00	6	
15 327 13	14 344 95	759-1121	Measuring Station	-Labor	2 242 50	1 062 30	7	
9 101 98	8 459 90	759-1221	"	-S. & E.	739 03	861 22	8	
7 001 32	8 210 49	759-1122	Regulator Station	-Labor	699 76	808 14	9	
2 978 56	2 488 89	759-1222	"	-S. & E.	275 42	427 61	10	
74 866 47	58 734 71	759-211	Transmission Mains	-Labor	14 680 60	4 843 41	11	
40 968 38	32 220 69	759-221	"	-S. & E.	4 082 96	3 969 29	12	
10 078 28	6 998 88	759-212	Other Transmission System	-Labor	571 59	872 01	13	
10 346 39	4 511 96	759-222	"	-S. & E.	1 162 25	780 98	14	
7 463 28	6 620 67	763-	Rents		454 25	179 54	15	
								16
								17
1 168 601 53	1 023 809 76	Total Operation			148 035 48	102 142 07	18	
Maintenance								19
30 539 34	27 549 82	760-1	Supervision & Engineering	-Labor	2 542 84	2 449 80	20	
7 282 59	6 103 14	760-2	"	-S. & E.	573 16	482 65	21	
11 637 61	10 348 47	761-11	Pumping Station Structures	-Labor	581 78	747 31	22	
8 042 03	5 732 58	761-12	"	-S. & E.	188 03	243 76	23	
1 063 06	737 27	761-211	Measuring Station	-Labor	37 62	415 91	24	
802 41	763 45	761-221	"	-S. & E.	51 29	28 96	25	
580 08	346 75	761-212	Regulator Station	-Labor	85 56	36 66	26	
429 18	470 59	761-222	"	-S. & E.	5 72	16 93	27	
1 170 39	1 915 10	761-31	Other Transmission System Struct.	-Labor	324 09	274 15	28	
1 289 06	1 090 02	761-32	"	-S. & E.	16 09	409 89	29	
36 217 74	22 124 47	762-11	Transmission Mains	-Labor	1 985 76	1 732 02	30	
35 356 87	11 519 38	762-12	"	-S. & E.	13 152 58	722 37	31	
67 176 64	60 178 41	762-211	Pumping Station Equipment	-Labor	4 054 56	3 465 07	32	
64 688 69	56 047 32	762-212	"	-S. & E.	3 738 46	10 153 49	33	
6 405 88	6 240 42	762-2211	Measuring Station Equipment	-Labor	578 02	449 31	34	
4 007 63	4 825 79	762-2221	"	-S. & E.	502 20	430 92	35	
3 015 09	1 332 24	762-2212	Regulator Station Equipment	-Labor	282 77	183 55	36	
1 824 27	1 633 14	762-2222	"	-S. & E.	447 87	300 22	37	
2 378 56	2 519 84	762-231	Other Trans. System Equipment	-Labor	566 77	97 21	38	
3 076 35	2 525 60	762-232	"	-S. & E.	256 46	110 49	39	
								40
286 983 69	224 003 80	Total Maintenance			29 991 63	22 450 67	41	
1 455 585 22	1 247 813 56	Total Transmission Expenses			178 027 11	124 592 74	42	
Distribution								43
								44
Operation								45
-	4 911 38	765-1	Supervision & Engineering	-Labor	-	441 90	46	
-	971 37	765-2	"	-S. & E.	-	138 15	47	
-	554 71	766-2	Other Distribution Office	-S. & E.	-	58 85	48	
-	4 872 56	767-1	Distribution Lines	-Labor	-	301 75	49	
-	1 782 32	767-2	"	-S. & E.	-	102 98	50	
-	1 960 08	768-11	Removing & Resetting Meters	-Labor	-	159 65	51	
-	688 81	768-12	"	-S. & E.	-	57 38	52	
-	1 055 59	768-21	Miscellaneous Meter Expense	-Labor	-	164 18	53	
-	170 34	768-22	"	-S. & E.	-	25 32	54	
-	1 878 81	769-1	Services On Customers Premises	-Labor	-	139 07	55	
-	505 13	769-2	"	-S. & E.	-	49 67	56	
-	615 12	776	Rents		-	60 12	57	
								58
								59
								60
								61
								62
19 966 22		Total Operation			-	1 699 02	63	

983 69	224 003 80	Total Maintenance			29 991 63	22 450 67	41
585 22	1 247 813 56	Total Transmission Expenses			178 027 11	124 592 74	42
Distribution							43
							44
Operation							45
—	4 911 38	765-1	Supervision & Engineering	—Labor	—	441 90	46
—	971 37	765-2	" "	—S. & E.	—	138 15	47
—	554 71	766-2	Other Distribution Office	—S. & E.	—	58 85	48
—	4 872 56	767-1	Distribution Lines	—Labor	—	301 75	49
—	1 782 32	767-2	" "	—S. & E.	—	102 98	50
—	1 960 08	768-11	Removing & Resetting Meters	—Labor	—	159 65	51
—	688 81	768-12	" "	—S. & E.	—	57 38	52
—	1 055 59	768-21	Miscellaneous Meter Expense	—Labor	—	164 18	53
—	170 34	768-22	" "	—S. & E.	—	25 32	54
—	1 878 81	769-1	Services On Customers Premises	—Labor	—	139 07	55
—	505 13	769-2	" "	—S. & E.	—	49 67	56
—	615 12	776	Rehts	—	—	60 12	57
							58
							59
							60
							61
							62
—	19 966 22	Total Operation			—	1 699 02	63
(A)	(B)				(C)	(D)	

2002

12 Months To Date		Acc't No.	Distribution	Current Month		
This Year	Last Year			This Year	Last Year	
Maintenance						1
		771-1	Supervision & Engineering	—Labor		2
		771-2	"	—S. & E.		3
	78 83	772-1	Structures & Improvements	—Labor		4
	40 45	772-2	"	—S. & E.		5
	1 140 58	773-11	Mains	—Labor	—	29 57 6
	240 18	773-12	"	—S. & E.	—	13 10 7
	569 68	773-31	Services	—Labor	—	9 41 8
	292 35	773-32	"	—S. & E.	—	17 26 9
	920 92	773-41	Meters	—Labor	—	75 31 10
	746 16	773-42	"	—S. & E.	—	15 33 11
	407 26	773-51	House Regulators	—Labor	—	60 66 12
	190 82	773-52	"	—S. & E.	—	28 18 13
	370 11	775-1	Other Distribution Equipment	—Labor	—	21 96 14
	65 69	775-2	"	—S. & E.	—	5 71 15
						16
						17
						18
						19
						20
						21
						22
	5 063 03	Total Maintenance		—	276 49	23
	25 029 25	Total Distribution Expenses		—	1 975 51	24
Customers' Accounting & Collecting						25
						26
		779-1	Supervision	—Salaries		27
		779-2	"	—S. & E.		28
	12 75	780-11	Customers' Contracts & Orders	—Labor		29
		780-12	"	—S. & E.		30
5 315 47	7 112 30	780-31	Meter Reading	—Labor	428 04	628 18 31
1 249 96	1 920 22	780-32	"	—S. & E.	118 25	186 31 32
	1 842 47	780-41	Collecting	—Labor	—	190 97 33
302 88	535 99	780-42	"	—S. & E.	—	58 56 34
6 702 01	8 054 13	781-41	Customers Billing & Acct'g	—Labor	862 82	907 00 35
*405 80	686 70	781-2	"	—S. & E.	*41 22	36 82 36
	2 186 02	782	Miscellaneous Expenses	—	—	181 30 37
10 800 00	10 800 00	783	Uncollectible Accounts	—	900 00	900 00 38
		784	Rents	—	—	— 39
						40
						41
						42
						43
						44
						45
						46
23 964 52	33 150 58	Total Customers' Accounting & Collecting		2 267 89	3 089 14	47
Sales Promotion						48
						49
9 093 77	8 721 25	785-1	Supervision	—Salaries	1 153 03	733 30 50
2 685 69	2 689 63	785-2	"	—S. & E.	129 96	155 27 51
7 387 88	6 609 62	786-1	Industrial Engineers	—Salaries	886 20	590 00 52
3 309 36	3 361 01	786-2	"	—S. & E.	150 57	317 17 53
5 00	232 74	787-2	Advertising	—	—	200 94 54
239 39	452 12	787-3	Miscellaneous Sales Expenses	—	60 20	290 07 55
						56
						57
						58
						59
						60
						61
						62
22 721 09	22 066 37	Total Sales Promotion Expenses		2 379 96	2 286 75	63
(A)	(B)			(C)	(D)	

								39
								40
								41
								42
								43
								44
								45
								46
23 964 52	33 150 58		Total Customers' Accounting & Collecting		2 267 89	3 089 14		47
			Sales Promotion					48
								49
9 093 77	8 721 25	785-1	Supervision	Salaries	1 153 03	733 30		50
2 685 69	2 689 63	785-2	"	S. & E.	129 96	155 27		51
7 387 88	6 609 62	786-1	Industrial Engineers	Salaries	886 20	590 00		52
3 309 36	3 361 01	786-2	"	S. & E.	150 57	317 17		53
5 00	232 74	787-2	Advertising			200 94		54
239 39	452 12	787-3	Miscellaneous Sales Expenses		60 20	290 07		55
								56
								57
								58
								59
								60
								61
								62
22 721 09	22 066 37		Total Sales Promotion Expenses		2 379 86	2 286 75		63
(A)	(B)				(C)	(D)		

*Indicates red figures.

5700

12 Months To Date		Acc't No.	Administrative & General Operation	Current Month			
This Year	Last Year			This Year	Last Year		
94 654 17	88 000 00	790	General Officers	—Salaries	11 562 51	7 333 34	1
21 685 49	15 976 21	791-1	General Law	—Salaries	2 950 76	1 670 84	3
10 479 50	8 904 50	791-2	Rate, Survey and Valuation	—Salaries	1 330 00	752 50	4
126 516 50	110 276 04	791-3	Other General Office Employees	—Salaries	16 622 07	10 864 78	5
12 258 97	17 880 29	792-1	General Officers	—Expense	711 41	2 567 18	6
3 676 40	2 323 32	792-21	General Law	—Expense	599 63	858 50	7
—	1 826 86	792-22	Rate, Survey and Valuation	—Expense	—	—	8
11 201 03	8 858 75	792-23	Other Gen. Office Employees	—Expense	792 96	1 677 30	9
13 982 40	26 679 09	793-1	General Office Stationery and Printing		1 305 00	17 604 96	10
22 039 40	19 342 00	793-2	General Office Supplies and Expenses		2 458 75	4 731 34	11
22 358 80	19 572 84	795	Special Services		5 170 89	11 010 79	12
53 322 07	76 018 19	796	Special Legal Services		1 865 65	37 637 11	13
—	—	797	Regulatory Commission Expenses		—	—	14
12 054 52	10 602 35	798	Insurance—General		1 292 51	943 94	15
11 812 49	11 520 70	799-1	Insurance—Claims for Injuries and Damages		*1 583 09	*8 859 78	16
15 600 00	18 600 00	799-2	Injuries and Damages		1 300 00	1 550 00	17
1 931 92	2 456 33	800-11	Accident Prevention		132 68	376 80	18
7 421 24	6 257 88	800-12	Insurance—Group Life		638 00	557 15	19
2 899 16	2 304 25	800-13	Employees' Welfare Expenses—Other		22 55	22 00	20
177 895 69	168 760 00	800-2	Pensions		14 733 33	77 313 37	21
4 781 51	5 037 33	801-1	Dues, Donations and Subscriptions		706 45	165 20	22
58 700 75	45 412 23	801-2	Other Miscellaneous General Expenses		2 780 23	9 873 16	23
32 879 13	27 804 40	803	Rents		2 763 33	2 315 00	24
—	363 68	805	Franchise Requirements		—	23 13	25
—	—	—	—		—	—	26
—	—	—	—		—	—	27
—	—	—	—		—	—	28
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—	—	—	—		—	—	33
—	—	—	—		—	—	34
718 151 14	694 777 27		Total Operation		68 155 62	180 988 61	35
—	—	—	—		—	—	36
—	—	—	—		—	—	37
—	—	—	—		—	—	38
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—	—	—	—		—	—	

						40
						41
						42
						43
1 242 18	2 571 83		Total Maintenance	6 04	912 57	44
719 393 32	697 349 10		Total Administrative & Gen'l Exp.	68 161 66	181 901 18	45
						46
			Operating Deductions			47
131 490 15	110 392 50	607	Interdepartmental Gas Sales	13 456 20	11 830 80	48
1 096 52	1 002 57	749-1	Gas Used in Company Buildings	139 45	163 32	49
506 367 60	475 604 25	749-2	Gas Used for Power	60 403 05	52 347 00	50
—	1 748 10	749-3	Gas Used in Other Operations			51
6 580 25	28 184 20	749-4	Gas Used in Construction	—	2 622 75	52
13 200 00	18 000 00	764-2	Joint Transmission Expense Transferred	1 100 00	1 500 00	53
—	160 57	806	Duplicate Miscellaneous Charges	—	23 13	54
3 570 94	57 380 03	807	Administrative & General Expense Transferred	3 570 94	57 380 03	55
		809	Joint Admstr. & Gen. Exp. Transferred			56
						57
						58
						59
662 305 46	692 472 16		Total Operating Deductions	78 669 64	125 867 03	60
						61
2 851 053 26	2 545 139 08		Total Operation	298 706 80	313 885 86	62
317 908 57	257 655 00		Total Maintenance	32 500 43	27 582 26	63
(A)	(B)			(C)	(D)	

*Indicates red figures.

5500A

Panhandle Eastern Pipe Line Company
And Subsidiary Companies

Gasoline
Expenses 20
Month of December 1941

12 Months To Date		Acct & No.	Production Operation	Current Month		
This Year	Last Year			This Year	Last Year	
2 521 03	2 669 69	5514	Supervision and Engineering — Labor	401 44	180 37	1
328 03	53 27	5515	" " — S. & E.	45 00	5 00	2
10 747 52	9 084 83	5516	Extraction Plant Labor	2 123 47	740 20	3
10 868 71	8 736 22	5517	Other Labor	613 97	588 40	4
36 134 25	32 418 30	5518	Fuel—Gas	3 546 75	3 330 30	5
5 048 83	5 274 18	5519	Absorption—Oil	636 45	602 40	6
24 315 24	29 539 51	5520	Other Supplies and Expense	3 449 29	4 568 34	7
5 355 90	77 974 20	5521	Shrinkage—Gas	9 909 45	8 500 50	8
						9
						10
						11
						12
						13
185 319 51	165 744 20		Total Operation	20 725 82	18 515 51	14
			Maintenance			15
314 23	359 27	5522	Supervision and Engineering — Labor	28 12	27 50	16
		5523	" " — S. & E.			17
1 218 63	716 04	5524	Structures — Labor	131 36	90 72	18
520 96	258 89	5525	" " — S. & E.	89 86	55 07	19
6 812 32	6 915 20	5526	Equipment — Labor	844 01	599 56	20
8 401 80	6 511 60	5527	" " — S. & E.	1 148 06	499 39	21
						22
						23
						24
17 267 94	14 761 00		Total Maintenance	2 241 41	1 272 24	25
202 587 45	180 505 20		Total Production Cost	22 967 23	19 787 75	26
202 587 45	180 505 20	5528	Production Transferred to Inventory	22 967 23	19 787 75	27
25 423 109	20 793 278		Total Gallons Produced	2 642 454	2 266 973	28
80¢	87¢		Avg. Cost Per Gallon (Cents)	87¢	87¢	29
240 895	216 122		MCF Fuel	23 645	22 202	30
635 706	519 828		MCF Shrinkage	66 063	56 670	31
						32
			Marketing			33
3 282 48	3 112 50	5529	Salaries and Expense	312 41	319 27	34
		5530	Freight and Hauling			35
76 54	48 83	5531	Other Miscellaneous Expense		39 26	36
						37
						38
						39
						40
3 359 02	3 063 67		Total Marketing Expenses	312 41	358 53	41
						42
			General			43
1 500 00	1 500 00	5550	Other General Office Employees—Sal. and Exp.	125 00	125 00	44
600 00	600 00	5551	General Office Supplies and Expense	50 00	50 00	45
300 00	300 00	5552	General Office Rent	25 00	25 00	46
		5553	Injuries and Damages			47
476 17	439 92	5554	Insurance—General	54 82	36 66	48
733 51	845 92	5555	Insurance—Claims for Injuries and Damages	65 35	61 71	49
288 00	254 00	5556	Insurance—Group Life	24 00	22 00	50
2 973 79	1 740 00	5557	Pensions	200 00	145 00	51
		5558	Dues, Donations and Subscriptions			52
25 00	25 00	5559	Other General Expense			53
						54
						55
6 896 47	5 704 84		Total General Expenses	544 17	465 37	56
10 255 49	8 768 51		Total Mktg. And Gen. Expenses	856 58	823 90	57

									39
									40
3 359 02	3 063 67		Total Marketing Expenses			312 41	358 53	41	
									42
			General						43
1 500 00	1 500 00	5550	Other General Office Employees—Sal. and Exp.		125 00	125 00		44	
600 00	600 00	5551	General Office Supplies and Expense		50 00	50 00		45	
300 00	300 00	5552	General Office Rent		25 00	25 00		46	
		5553	Injuries and Damages					47	
476 17	439 92	5554	Insurance—General		54 82	36 66		48	
733 51	845 92	5555	Insurance—Claims for Injuries and Damages		65 35	61 71		49	
288 00	254 00	5556	Insurance—Group Life		24 00	22 00		50	
2 973 79	1 740 00	5557	Pensions		200 00	145 00		51	
		5558	Dues, Donations and Subscriptions					52	
25 00	25 00	5559	Other General Expense					53	
								54	
								55	
6 896 47	5 704 84		Total General Expenses		544 17	465 37		56	
10 255 49	8 768 51		Total Mktg. And Gen. Expenses		856 58	823 90		57	
								58	
								59	
								60	
								61	
								62	
								63	

(A)

(B)

(C)

(D)

*Indicates red figures.

5600

[fol. 15822]

(Part of Exhibit 208.)

Financial Statement

of

Illinois Natural Gas Company

For period ended December 31, 1941.

(Signed) T. F. PAXTON,
Assistant Secretary.

Date February 21, 1942.

Balance Sheet as of December 31, 1941

Acc't No.	Detail on Page		Increase	
			Over Previous Month	Since January First
Gas Plant				
100-1	11	Gas Plant in Service	152 788 99	3 040 18
100-3	11	Construction Work in Progress	230 664 37	120 670 14
100-4	11	Gas Plant Held for Future Use		215 757 33
100-6	11	Gas Plant in Process of Reclassification	2 724 666 73	+30 00
				+1 090 99

Total Gas Plant	11	3 108 120 09	123 680 32	351 499 95
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Investment And Fund Accounts		
110	11	Other Physical Property
111-1	11	Investment in Securities of Associated Companies
111-2	11	Advances To Associated Companies
112	11	Other Investments

Total Investment And Fund Accounts				
------------------------------------	--	--	--	--

Current And Accrued Assets				
120	x x	Cash	331 741 90	*81 675 69
121	11	Special Deposits		*126 788 66
122	11	Working Funds	323 03	*17 77
123	11	Temporary Cash Investments		48 81
124	11	Notes Receivable		
125-1	x x	Accounts Receivable—Customers	239 644 00	10 498 61
125-2	12	Other Accounts Receivable	3 430 69	1 916 41
126-2	11	Accounts Receivable from Associated Companies		*1 013 15
128	x x	Interest and Dividends Receivable		*423 75
131-1	12	Materials and Supplies—Gas	1 392 39	*29 49
131-2	x x	Materials and Supplies—Gasoline		1 392 39
131-3	x x	Materials and Supplies—Gasoline on Hand		
132	12	Prepayments		

Total Current And Accrued Assets		576 532 01	*69 307 93	*126 784 36
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Deferred Debits		
140	12	Unamortized Debt Discount and Expense
143	12	Clearing Accounts
144	12	Retirement Work in Progress
145	12	Other Work in Progress
146	12	Other Deferred Debits

Total Deferred Debits		*2 582 94	—	—
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39	132	Prepayments	12			
40						
41						
42						
43						
44						
45		Total Current And Accrued Assets		576 532 01	*69 307 93	*126 784 36
46						
47						
48		Deferred Debits				
49	140	Unamortized Debt Discount and Expense	12			
50	143	Clearing Accounts	12			
51	144	Retirement Work in Progress	12		*1 026 69	—
52	145	Other Work in Progress	12		*1 556 25	—
53	146	Other Deferred Debits	12			
54						
55						
56						
57						
58						
59		Total Deferred Debits			*2 582 94	—
60						
61						
62						
63		Total Assets		3 684 652 10	51 789 45	224 715 59
				(A)	(B)	(C)

*Indicates red figures.

5601

Balance Sheet as of December 31, 1941

Acc't No.		Detail on Page	Increase		
			Over Previous Month	Since January First	
	Capital Stocks				1
200	Common	No Par	2 635 391 43		2
	28,000 Shs. Auth. 23,000	Shs. Outstanding			3
201	Preferred	\$100 Par			4
					5
					6
					7
					8
					9
	Total Capital Stocks		2 635 391 43		10
					11
	Long-Term Debt				12
210	Bonds	11			13
212-1	Advances on Notes	11			14
212-2	Advances on Open Accounts	11			15
213	Miscellaneous Long-Term Debt	11			16
					17
					17
	Total Long-Term Debt				18
					19
	Current And Accrued Liabilities				20
220	Notes Payable	11			21
222	Accounts Payable	11	9 791 72	*3 823 97	22
223-2	Accounts Payable to Associated Companies	11	220 573 95	33 733 61	23
224-1	Dividends Declared—Preferred	x x			24
224-2	Dividends Declared—Common	x x			25
225	Matured Long-Term Debt	11			26
226	Matured Interest	12			27
227	Customers' Deposits	x x			28
228	Taxes Accrued	12	65 224 51	*945 88	29
229-1	Interest Accrued—Long Term Debt	12			30
229-2	Interest Accrued—Other	12			31
230	Other Current and Accrued Liabilities	12			32
					33
					34
	Total Current & Accrued Liabilities		295 690 18	28 963 76	35
					36
	Deferred Credits				37
241	Customers' Advances for Construction	x x			38
242	Other Deferred Credits	12			39
					40
					41
	Total Deferred Credits				42
					43
	Reserves				44
250-6	Depreciation, Depletion and Amortization				45
	In Process of Reclassification	12	502 975 65	6 733 42	46
254	Uncollectible Accounts	12	12 600 00	300 00	47
256	Injuries and Damages	12	10 800 00	300 00	48
258	Other Reserves	12			49
					50
					51
	Total Reserves		526 375 65	7 333 42	52
					53
265	Contributions in Aid of Construction	12	6 261 51		54

					40
					41
	Total Deferred Credits				42
					43
	Reserves				44
250-6	Depreciation, Depletion and Amortization				45
	In Process of Reclassification	12	502 975 65	6 733 42	74 230 99 46
254	Uncollectible Accounts	12	12 600 00	300 00	3 600 00 47
256	Injuries and Damages	12	10 800 00	300 00	3 600 00 48
258	Other Reserves	12			49
					50
					51
	Total Reserves		526 375 65	7 333 42	81 430 99 52
					53
265	Contributions in Aid of Construction	12	6 261 51		54
					55
	Surplus				56
271	Earned Surplus—				57
	Since December 31, 1935		220 933 33	15 492 27	115 250 60 58
					59
					60
					61
	Total Surplus	10	220 933 33	15,492 27	115 250 60 62
	Total Liabilities		3 684 652 10	51 789 45	224 715 59 63
			(D)	(E)	(F)

*Indicates red figures.

5000